33 Annual Report 2017-18

SHARDA

MOTOR INDUSTRIES LIMITED

BOARD OF DIRECTORS	SHRI KISHAN N PARIKH	Chairperson
	SMT SHARDA RELAN	Co-Chairperson
	SHRI AJAY RELAN	Managing Director & CEO
	SHRI ROHIT RELAN	Director
	SHRI R. P. CHOWDHRY	Director
	PROF. ASHOK KUMAR BHATTACHARYA	Director
	SHRI SATINDER KUMAR LAMBAH	Director
	SHRI BIRESWAR MITRA	Executive Director

CHIEF FINANCIAL OFFICER SHRI VIVEK BHATIA

COMPANY SECRETARY SHRI NITIN VISHNOI

AUDITORS

STATUTORY AUDITORS
M/s. S. R. DINODIA & CO. LLP
(till 32 AGM dt. 30 Aug., 2017)
M/s. GUPTA VIGG & CO.
(32 AGM dt. 30 Aug., 2017 onwards)
CHARTERED ACCOUNTANTS

SECRETARIAL AUDITORS
M/s. VKC & ASSOCIATES
COMPANY SECRETARIES

COST AUDITORS
M/s. GURDEEP SINGH & ASSOCIATES
COST ACCOUNTANTS

BANKERS

YES BANK
IDFC BANK
KOTAK MAHINDRA BANK
HDFC BANK
STATE BANK OF INDIA
CITI BANK
CTBC BANK

REGISTERED OFFICE

D-188, OKHLA INDUSTRIAL AREA,
PHASE - I, NEW DELHI - 110 020
WEBSITE: WWW.SHARDAMOTOR.COM
E-MAIL: INVESTORRELATIONS@SHARDAMOTOR.COM
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
CIN: L74899DL1986PLC023202

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Managing Director's Message

AJAY RELAN

Dear Valued Shareholders,

Fiscal year 2017-18 has been a year of positive sentiments for the Indian economy which can be clearly measured from the economic perspective of implementation of Goods and Service Tax Law and its streamlining. The Gross Domestic Product (GDP) remains at 7.0% i.e. highest among other countries, making it fastest growing economy in the world.

Indian automotive industry ("Industry") has registered over 12 Per Cent Growth for FY 2018, achieving a milestone, apart from passing through a challenging phase of transformation from BS-IV to BS-VI emission norms. Further the Company is also keeping a track on the advancement on Government's policy towards the electric vehicle, which demands more clarities over certain issues.

Your Company is walking on the footprints of Shri N.D. Relan, who left for his heavenly abode on 2nd June, 2016, with his vision and inspiration of trust, determination and excellence, the Company has shown a committed future growth of approx 51% in profits before tax in line with the highest level of integrity and nurturing long term relationships with all the stakeholders.

It has always been the focus of the management of the Company to increase the shareholder's wealth with every passing year while being a socially responsible citizen. In the coming fiscal year we look ahead to excel in the product quality area with increased focus on research & development.

Finally, on behalf of all the directors and management of the Company, I would like to take this opportunity to thank our dedicated and motivated employees who are the greatest asset of the Company and who have with their passion, hard work and commitment taken it to this level. I would also thank all our customers, suppliers, bankers and stakeholders for reposing their confidence and faith in the Company.

NOTICE

NOTICE is hereby given that the Thirty three (33) Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited ("the Company") will be held at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India, on Thursday, 27th September, 2018, at 12:00 Noon (IST), to transact the following business(es):

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (Standalone and consolidated) of the Company for the financial year ended 31st March, 2018 along with the reports of the Board of Directors (Standalone) and Auditors thereon and in this regard, pass (with or without modification) the following resolution as an **Ordinary Resolution**;-

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Financial Statements (Standalone and consolidated) for the year ended 31st March, 2017 along with the reports of the Board of Directors (Standalone) and Auditors, be and are hereby received, considered and adopted".

2. To declare a final dividend for the financial year 2017-18 and in this regard, pass (with or without modification) the following resolution as an **Ordinary Resolution**;-

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), a dividend of Rs. 12.50/- per Equity Share i.e.125% on the paid up share capital be and is hereby declared for the financial year 2017-18, out of which an interim dividend of Rs. 6.25/- per Equity Share i.e. 62.50% on the paid up share capital has already been paid and the final dividend of Rs.6.25/- per Equity Share i.e. 62.50% on the paid up share capital be paid, to those members whose names appears in the Register of Members as on 20th September, 2018 and to those members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date."

3. To appoint a Director in place of Shri Rohit Relan (DIN: 00257572), who retires by rotation, being eligible and offers himself for re-appointment and if thought fit, to pass (with or without modification) the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provision of Section 152 of the Companies Act, 2013, Shri Rohit Relan (DIN: 00257572), who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To appoint a Director in place of Shri Bireswar Mitra (DIN: 06958002), who retires by rotation, being eligible and offers himself for re-appointment and if thought fit, to pass (with or without modification) the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provision of Section 152 of the Companies Act, 2013, Shri Bireswar Mitra (DIN: 06958002), who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

5. **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 the provision of Section 148 and all other applicable provisions of the Companies Act, 2013, read with rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other permissions as may be necessary, the members hereby ratify the remuneration of Rs. 1,00,000 (Rupees One Lacs only) excluding applicable taxes and other out-of pocket expenses payable to M/s. Gurdeep Singh & Associates, Cost Auditors, 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 and others and all types of Generator Parts) for the financial year 2018-19."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are 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.**

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 3rd August, 2018
Place : New Delhi

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under 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(IES) TO ATTEND AND, ON A POLL, 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. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send to the company a certified true copy of board resolution together with specimen signatures of the said authorised representative(s) to attend and vote on their behalf at the meeting.

   Members are requested to note that a person can act as a 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 Friday, 21st September, 2018 to Thursday, 27th September, 2018 (both days inclusive).

4. Subject to the provisions of the Companies Act, 2013, final dividend, if declared by the members at the Annual General Meeting, shall be paid within 30 days from the date of declaration to those members whose names appears as members in the Company's Register of Members as on 20th September, 2018 i.e. record date and as beneficial owners on that date as per the lists furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

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, 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 mode are requested to register their email IDs with the Registrar and Share Transfer Agent of the Company and Members holding shares in demat mode are requested to register their email IDs with their respective DPs in case same is still not registered.

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, 2013 or any statutory modification(s) or re-enactment(s) 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. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and its applicable rules. 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
31.03.2011	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

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	PROPOSED DUE DATE FOR TRANSFER TO IEPF
31.03.2016	07.09.2016	05.10.2023
31.03.2017	05.02.2017*	03.03.2024
31.03.2017	30.08.2017	28.09.2024
31.03.2018	12.02.2018*	10.03.2025

* Interim Dividend

The Company has already transferred all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more along with the unpaid or unclaimed dividend for that period to the Investor Education & Protection Fund. Members who have so far not claimed their shares/dividends for the said period may claim their dividend and shares from the Investor Education & Protection Fund by submitting an application in the prescribed form.

11. The Notice of the AGM along with the Annual Report 2017-18 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

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. Members can avail of the nomination facility by filing form SH-13, as prescribed under section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company/RTA.

14. 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.

    (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 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

PAN	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.
Dividend Bank Details OR Date of Birth (DOB)	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 a print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(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 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.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

Please follow all steps from sl. no. (i) to (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, under help section or write an email to helpdesk.evoting@cdslindia.com.

(D) The Remote e-voting period will commence on Monday, 24th September, 2018 (09:00 a.m. IST) and ends on Wednesday, 26th September, 2018 (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. 20thSeptember, 2018, (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 casted by the Member, he shall not be allowed to change it subsequently.

15. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Thursday, 20th September, 2018 (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.

16. 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.

17. 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.

18. Shri Vineet K Chaudhary, Managing Partner (Membership No. FCS 5327) and failing of him Shri Mohit K Dixit, Partner, (Membership No. A49021), of M/s VKC Associates, Practicing Company Secretaries, 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.

19. The results of the voting on resolutions shall be declared by the Chairman / Co-Chairperson or any other person authorised by him/her 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 and will also be available on the website of CDSL i.e. www. cdslindia.com and will be communicated to the stock exchanges, where the shares of the Company are listed.

20. 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.

21. All the documents referred to in the notice and accompanying explanatory statement 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.

22. **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 Rohit Relan**	**Shri Bireswar Mitra**
Date of Birth (Age)	02nd July, 1955 (63 years)	08th March, 1946 (72 years)
Nationality	Indian	Indian
Date of first Appointment on the Board	25th May, 1991	07th August, 2014
Qualification	FCA, OPM, (USA)	B.Tech (Mechanical Engineering) from IIT Kharagpur
Experience or expertise in specific functional area	Accounts, Finance, Business Management & Capital Market	Operations & Manufacturing
Shareholding in the Company	428,818 equity shares	600 equity shares
Terms & conditions of appointment/ re-appointment	As per the provisions of the Companies Act, 2013 and Nomination, Remuneration & Evaluation Policy of the Company	As per the provisions of the Companies Act, 2013 and Nomination, Remuneration & Evaluation Policy of the Company
Directorships held in other companies in India	Bharat Seats Limited Relan Industrial Finance Limited Progressive Engineering and Automation Private Limited Sharda Inoac Private Limited Toyota Boshoku Relan India Private Limited Toyo Sharda India Private Limited NDRelan Industries Private Limited	None
Chairman/ Member of Committee of the Board of other public companies in which they are director	None	None
Remuneration last drawn (including sitting fees, if any)	Rs. 80,000	Rs.26,45,812
Remuneration proposed to be paid	As per existing terms & conditions	As per existing terms and conditions
Relationship with other Director / KMP	1. Sharda Relan (Mother) 2. Ajay Relan (Brother)	None
Number of meeting of the Board attended during the year	2	2

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

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 3rd August, 2018
Place : New Delhi

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

Item No.5

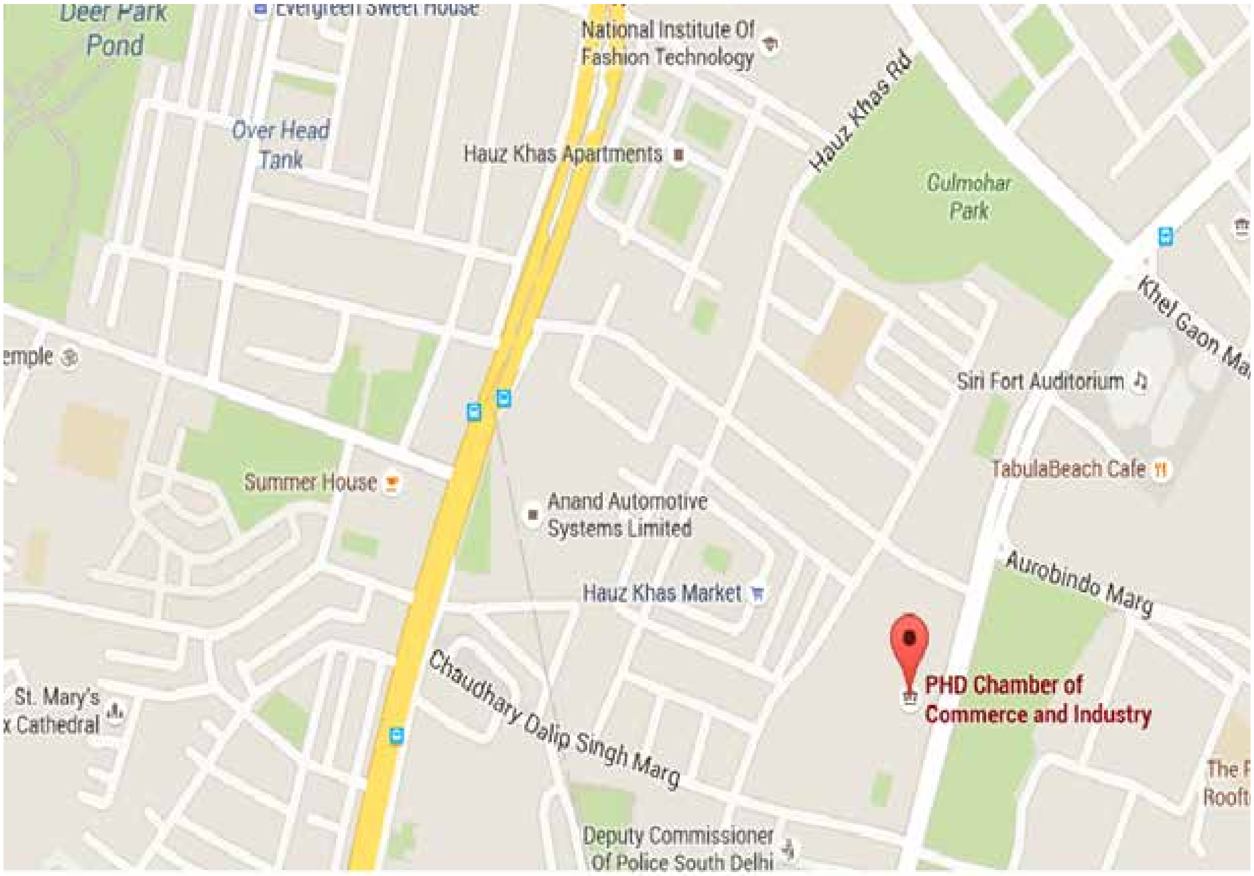
The Board of Directors of the Company at its meeting held on 3rd August, 2018, on the recommendation of the Audit Committee had approved the appointment and remuneration of M/s. Gurdeep Singh & Associates, as Cost Auditors of the Company, subject to the ratification of remuneration payable to Cost Auditors by the shareholders, to conduct the audit of cost records of the specified products (i.e. Accessories of Air conditioners, Parts of house hold and others and all types of Generator Parts) at a remuneration of Rs. 1,00,000/- (Rupees One Lacs only) plus applicable taxes and other out-of pocket expenses for the financial year 2018-19.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, ratification by the Members is sought for the remuneration payable to the Cost Auditors for the financial year ended March 31, 2019 by passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors/ Key Managerial Personnel of the Company or their relative are, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 5

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

Road map to the venue of the AGM



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty three (33) Directors' Report on the business and operations of the Company together with the financial statements for the financial year ended on 31st March, 2018.

FINANCIAL SUMMARY

(Rs. in Lakhs)

Particular	Standalone		Consolidated	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Revenue from operations	120,425.88	122,538.86	120,425.88	122,538.86
Other Income	1,780.30	1,385.78	1,699.30	1,304.78
Total Revenue	**122,206.18**	**123,924.64**	**122,125.18**	**123,843.64**
Profit before Financial Charges, Depreciation	**21,205.65**	**32,718.21**	**21,124.64**	**32,637.22**
Less : Financial Costs	213.00	759.57	213.00	759.57
Less : Excise duty	4,881.31	18,350.35	4881.31	18,350.35
Profit before Depreciation, Exceptional Items & Taxes	**16,111.34**	**13,608.29**	**16,030.33**	**13,527.30**
A. Depreciation	4,377.89	4,979.38	4,377.89	4,979.38
B. Exceptional items	58.73	915.27	58.73	915.27
Taxation				
– Current Tax	4,088.59	2,677.43	4,088.59	2,677.43
– Deferred Tax Charged/ (Released)	(274.89)	(639.26)	(274.89)	(639.26)
Profit for the year before share of profit/(loss) of associates and joint ventures	**7,861.02**	**5,675.47**	**7,780.02**	**5,594.48**
Share of profit/(loss) of associates (net of tax)	-	-	879.32	374.59
Share of profit/(loss) of Joint venture (net of tax)	-	-	137.78	120.49
Profit for the year	**7,861.02**	**5,675.47**	**8,797.12**	**6,089.56**
Add: Profit brought forward from Previous year	6915.96	2135.11	8936.06	3764.25
Profit available for appropriation	14,776.98	7,810.58	17,733.18	9,853.81
APPROPRIATIONS				
Proposed Dividend	371.64	371.64	371.64	371.64
Tax on Proposed Dividend	75.67	75.67	75.67	75.67
Interim Dividend	371.64	371.64	371.64	371.64
Tax on Interim Dividend	75.67	75.67	75.67	75.67
Transferred to General Reserves	-	-	-	-
Depreciation Adjustment as per Schedule II of Companies Act, 2013	-	-	-	23.14
Balance carried forward to Balance Sheet	13,882.36	6,915.96	16,838.61	8,936.06
Paid-up equity share capital (Face value of Rs. 10/- each)	594.63	594.63	594.63	594.63

The Company has adopted Ind AS with effect from 1st April, 2017 with a transition date of 1st April, 2016. Accordingly the financial statements for the year ended 31st March, 2017 have been re-stated to conform to Ind AS. The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in Note No. 41 (c) of the notes to accounts in the standalone and consolidated financial statements.

OPERATIONAL PERFORMANCE

During the year under review, the total revenue from operations and other income was 122,206.18 Lakhs as against Rs.1,23,924.64 Lakhs of previous year, whereas the net sale (i.e. before tax) was 115,544.57 Lakhs as against Rs.104,188.51 Lakhs of previous year, depicting a growth of 11% . Profit before taxation has increased from Rs. 7,713.64 Lakhs to Rs. 11,674.72 Lakhs (increased by approx 51%) during the year. Finance cost has been reduced to Rs. 213 Lakhs from Rs. 759.57 Lakhs. Net Profit after taxes of the company has increased by approx 39% year on year basis.

During the year under review, company has not changed the nature of business.

DIVIDEND

Your directors are pleased to recommend a final dividend of Rs 6.25/- per equity share i.e. 62.5% for the year ended 31st March, 2018 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 i.e. 62.5%, 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 20th September, 2018.

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").

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

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

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.

Number of Board and 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 under the Companies Act, 2013 and Listing Regulations.

BOARD LEVEL PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, The Board of Directors ("Board") at its meeting held on 26th May, 2018, carried out the performance evaluation of its own performance and that of its committees and individual directors.

The performance of the Board was evaluated after taking 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 of directors, based on the recommendations of Nomination & Remuneration Committee, reviewed the performance of the individual directors, including both independent and non-independent, on the basis of the evaluation criteria like qualification & experience, attendance of directors at Board and committee meetings, conflict of interest, effective participation, integrity, knowledge & competencies, domain knowledge, compliance with code of conduct, independent judgment, vision and strategy etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairperson 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

Audit Committee comprises of three members out of which two are independent directors and one is executive director. Shri Kishan N Parikh, Independent Director, is the Chairperson 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. All recommendations of the Audit Committee, whenever made, were accepted by the Board during the financial year 2017-18.

AUDITORS

Secretarial Auditors

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company, to conduct Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 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 & Auditors Reports

Pursuant to the provisions of sections 139 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N) were appointed by the Members as Statutory

Auditors of the Company, for a term of 5 (five) consecutive years, from the conclusion of the 32nd Annual General Meeting of the Company held on 30th August, 2017 till the conclusion of 37th Annual General Meeting of the Company to be held in year 2022.

Further the Statutory Auditors have confirmed that they are not disqualified from being continued as Statutory Auditors of the Company in terms of the provisions of Section 139(1), Section 141(2) and Section 141(3) of the Act and the other applicable provisions of the Companies (Audit and Auditors) Rules, 2014.

Pursuant to an amendment in Section 139 of the Companies Act, 2013, ratification of appointment of statutory Auditor is no more required at each Annual general Meeting ("AGM"), accordingly the same has not been taken up at this AGM.

During the year under review there was no incident related to fraud which was reported to the Audit Committee or Board of Directors under section 143(12) of the Companies Act, 2013 by the Statutory Auditors of the Company. Hence, no detail is required to be disclosed under Section 134 (3) (ca) of the said Act. The Auditors' Reports (Standalone & Consolidated) to the Shareholders does not contain any qualification, reservation or adverse remarks. The notes on financial Statement referred to in the Auditors' Report are self-explanatory and do not require any further comments.

Cost Auditors & Cost Audit Report

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and based on the recommendation of audit committee, the Board of Directors of the Company has appointed M/s. Gurdeep Singh & Associates, Cost Accountants (holding M.No. 9967) as Cost Auditors of the Company for conducting the cost audit for the Financial Year 2018-19, subject to ratification of remuneration by the members in the ensuing Annual General Meeting. The Company has received a letter from Cost Auditors of the Company to the effect that there, appointment is within the limits prescribed as per the Companies Act, 2013 and are not disqualified from being appointed as Cost Auditors of the Company .

Further the Company has made and maintained all such accounts and cost records, as specified in section 148 of the Companies Act, 2013 read with sub rule (5) of rule 8 of the Companies (Accounts) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your company undertook several projects and programmes based on the recommendation of the Corporate Social Responsibility Committee of the Company especially in the area of Education & Healthcare. Your Company is committed towards making a sustainable impact on the society through its CSR projects and programmes in the long term.

Company through its philanthropic arm, Sharda CSR Foundation Trust, has sponsored various projects like Blood Donation Camps, Toilet Construction in the poor rural sectors, Stationary donation and infrastructure development to the low income government schools, blanket distribution to the poor and needy people of slum communities. The Company is moving rapidly towards achieving its goal by increasing the pace of the activities at various levels.

CSR Committee of the Company has identified certain long term projects and programmes which will be focused in the coming years in the area of education & healthcare. These can be implemented through Sharda CSR Foundation Trust or any other implementing agency in the most effective way to reach the society at large.

Details of composition of Committee, no. of meetings, attendance at the meetings, are provided in the 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).

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 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 details 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 under section 186 have been disclosed in the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, 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 and have complied with all the mandatory requirements relating to Corporate Governance as stipulated in Para C of Schedule V of Listing Regulation. The "Report on Corporate Governance" forms an integral part of this report and is set out as separate section to this annual report. A certificate from M/s. Gupta Vigg & Co., Chartered Accountants, the statutory auditors of the Company, certifying compliance with the conditions of corporate governance stipulated in Para E of Schedule V of 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 Regulation 34(2)(e) read with Para B of Schedule V of the Listing Regulation, 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.

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 affect 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

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.

However, during the financial year 2017-18, several interim orders have been passed by the Hon'ble National Company Law Tribunal, New Delhi (Hon'ble NCLT) in respect of petition was filed against the Company by Shri Rohit Relan, non-executive director of the Company along with his wife and sons, under section 241, 242 read with section 244 of the Companies Act, 2013. Hon'ble NCLT has reserved the final order till the date of this report.

Further during the year, the Company has filed a petition under Section 241, 242 and/ or other applicable provisions of the Companies Act, 2013 against Toyo Sharda India Pvt. Ltd. & Others, before the Hon'ble NCLT. Several Interim Orders have been passed by the Hon'ble NCLT in this regard; however no final order has been passed till the date of this report.

Copies of the above mentioned interim orders are available on the website of the Company www.shardamotor.com and also on the websites of the National Stock Exchange of India Limited and BSE Limited.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, there is no change in the status of subsidiary/ joint ventures/ associate companies. Financial performance of the Associate and Joint Venture Companies are disclosed in the financial statements forming part of this annual report. 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 provide 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 / Internal Complaints Committee, constituted with duly compliance under the Sexual Harassment Act, for this purpose to 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 received 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, 2018 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 and Analysis Report, which forms part of this annual report.

SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

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, Your Directors also extend their appreciation to Bankers, Credit rating Agencies 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

	Sharda Relan	Ajay Relan
Date : 3rd August, 2018	Co-Chairperson	Managing Director
Place : New Delhi	(DIN:00252181)	(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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time, this policy on nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMPs) and other employees 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 appointment remuneration, evaluation and removal of the Directors, Key Managerial Personnel and other employees 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 –

  Managing Director, Chief Financial Officer, Company Secretary and such other persons, as may be designated by the Board or prescribed under the applicable statutory provisions/ regulations
- **"Senior Management"** means employee of the Company who are members of its core management team excluding Board of Directors, comprising all members of management one level below the CEO/MD/WTD, including functional heads and also include Chief Financial Officer and Company Secretary.

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 formulate the criteria for carrying out performance evaluation of the Board, its Committees and individual directors and review and its implementation and compliance.
- To develop a succession plan and ensure Board diversity.
- To determine remuneration based on Company's size and financial position and trends and practices on remuneration prevailing in the 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.

4. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage

APPLICABILITY

The Policy is applicable to:

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

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 Directors' succession. The Committee shall also review Senior Management succession. Its prime focus will, therefore, be 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 shall advise the Board on the appointments, retirements and resignations from the Board and its Committees. It shall also advise 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 shall 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 or KMPs and recommend to the Board his/ her appointment.
- Managing Director will be selected by ascertaining the integrity, qualification, Expertise, attitude and experience of the candidate and his appointment shall be governed by the applicable law(s) for the time being in force.
- The Candidate for a position at KMP (except Managing Director) or Senior Management level should be selected by assessment of the candidate on his/ her functional and leadership capabilities and cultural fitment to the Company. It needs to be ensured that the person possesses adequate qualification, expertise, proper attitude and experience for the position he/she is considered for appointment.
- The Managing Director shall assess the shortlisted the candidates based on relevant industrial expertise for the position of KMP (except Managing Director) or Senior Management Level.
- The selected candidate's details and the proposed compensation will be shared with the Nomination and Remuneration Committee for their review and suggestions and appointment of the final candidate's shall be recommend to the Board by the Committee, for their approval.

TERM / TENURE:

- The tenure for Directors shall be governed by the terms defined in the Companies Act, 2013 and Listing Regulations.
- The tenure for KMPs (excluding MD/Executive Director/whole-time Director), Senior Management Personnel and other employees will be governed by Company's HR Policy

EVALUATION:

- The performance evaluation of all Directors of the Company including Independent Directors shall be done by the Board, excluding the Director being evaluated based on the criteria determined by the Committee.
- The performance evaluation of Non-Independent Directors, Chairman/ Co-Chairman of the Company and the Board as whole shall be done by the Independent Directors in their separate meeting also.
- The Managing Director shall perform the evaluation of performance of KMPs and Senior Management Personnel at regular intervals, mostly on the yearly basis based on the Key Performance Indictors**.**
- The independent external agency may also be hired / outsourced by the Board of Directors of the Company for conduting the performance evaluation of all Directors of the Company as per criteria laid on above points read with provisions of the Act and Listing Regulations.

REMOVAL:

- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules or regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a director, subject to the provisions and compliance of the said Act, rules or regulations.
- For KMPs (excluding MD/Executive Director/whole-time Director), Senior Management Personnel or other employees, the removal will be governed by Company's HR Policy and applicable law(s) for the time being in force, if any.

RETIREMENT:

- Directors, KMPs or Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013, Listing Regulations and the prevailing policy of the Company.
- The Managing Director may retain any KMP, Senior Management Personnel or any other employee in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE –TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

The level and structure of the remuneration should be reasonable and sufficient to attract, retain and motivate the directors, KMPs, Senior Management Personnel and other employees for successfully running the Company. The remuneration to directors, KMPs and Senior Management should involve a balance between fixed and performance based incentive to achieve the short term and long term goals.

a) **Remuneration to Whole-time Director/Executive/ Managing Director:**

The Remuneration/ Compensation/ Commission/ performance incentive etc. to be paid to Whole-Time Director/ Managing Director/Executive etc. and any revision thereof, shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other applicable law(s) for the time being in force.

b) **Remuneration to Non-executive / Independent Director**

The Non–Executive and Independent Director may receive remuneration/compensation/commission/ performance incentive, as per applicable provisions the Companies Act, 2013 and rules made there under or any other applicable law(s) for the time being in force.

c) **Remuneration Parameters for Key managerial personnel (excluding MD, WTD), senior management & other employee**

The remuneration of the Key Managerial Personnel ("KMP") and Senior Management personnel of the Company and any revision therein shall be governed by the company and applicable provisions of the Companies Act, 2013 and rules made there under or any other law(s) for the time being in force.

Apart from the Directors, KMPs and Senior Management Personnel, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.

The annual increments to the remuneration paid to the employees shall be determined based on the appraisal carried out by the HODs of various departments. Decision on Annual Increments shall be made on the basis of this appraisal.

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

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ANNEXURE II

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2017-18

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

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, 2018 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, 2018 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) The 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, 2015;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable**
- (e) The Securities and exchange board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; - **Not Applicable**
- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; - **Not Applicable**
- (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998; - **Not Applicable**

(vi) The Company has identified following laws applicable specifically to 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 provisions 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, Standards and 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, if any, 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 in case of shorter notice, compliance as required under the Act has been made by the Company 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 member's views are captured and recorded as part of the minutes.

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

We further report that during the audit period the Company has the following specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, etc.

During the audit period petition has been filed by the Company against the Toyo Sharda India Private Limited, in the National Company Law Tribunal, New Delhi (NCLT) under section 241, 242 read with section 244 of the Companies Act, 2013. The matter is sub-judice as such no further comments. Further, in the matter of the petition, which was filed against the Company by Shri Rohit Relan, non-executive director of the Company, along with his wife and sons, in the National Company Law Tribunal, New Delhi (NCLT) under section 241, 242 read with section 244 of the Companies Act, 2013, the order has been reserved by Hon'ble NCLT.

FOR VKC & ASSOCIATES;
(Company Secretaries)

CS Mohit K Dixit
Partner
ACS No.49021
C P No.17827

Date: 03.08.2018
Place: New Delhi

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

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. Wherever 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 VKC & ASSOCIATES
(Company Secretaries)

CS Mohit K Dixit
Partner
ACS No. 49021
C P No. 17827

Date: 03.08.2018
Place: New Delhi

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**
The Company has adopted a strategy whereby certain long term programmes would be undertaken by the Company for the social and economic welfare and also to undertake certain Long term Programmes in alignment with Schedule VII of the Act, particularly focusing on promotion of education and child healthcare.

   Visit http://www.shardamotor.com/investor-relations for more details related to our CSR policy.

2. **The Composition of the CSR Committee:**
Members of the committee as on 31st March, 2018:
   - i. Shri Sharda Relan (Chairperson of the Committee)
   - ii. Shri Kishan N. Parikh
   - iii. Shri Ajay Relan
   - iv. Shri Satinder Kumar Lambah

3. **Average net profit of the company for last three financial years**
Rs. 5812.09 Lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**
Rs. 116.24 Lakhs

5. **Details of CSR spent during the financial year:**
   - a) Total Amount to be spent for the financial year: **Rs. 116.24 Lakhs**
   - b) Amount unspent: **Rs. 105.94 Lakhs**
   - c) 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 : For promoting Healthcare and Education	promoting Healthcare and Education	In all the manufacturing units of the Company in India and in the rural areas of Jharkhand also	11,00,000	10,30,000	10,30,000	Through implementing agencies

   Other than above your Company through its philanthropic arm, Sharda CSR Foundation Trust, has sponsored various projects like Blood Donation Camps, Toilet Construction in the poor rural sectors, Stationary donation and infrastructure development to the low income government schools, blanket distribution to the poor and needy people of slum communities etc.

6. **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.**
During the financial year 2017-18, the Company expanded its compass of activities and undertook various projects/ programmes for the benefit of the society at large. However certain planned projects of capital nature carrying large amount of expenditure could not be executed due to regulatory and technical hassle, which became the prime reason that the company could not spent the entire planned amount during the year. As decided earlier, the Company has kept its focus in the area of healthcare and education with respect to CSR activities through blood donation drives in various parts of the country, infrastructure development and stationary distribution in the low income government schools. Apart from these two core areas the Company has also spent in the area of eradicating poverty, sanitation etc. The Company has joined hands with other agencies also for the implementation of the programmes. CSR Committee of the Company has also recommended long term projects or programmes to be carried out in the coming years, which will impact the larger section of the society through sustainable means.

7. **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)

Sharda Relan
Chairperson of CSR Committee
(DIN:00252181)

ANNEXURE IV

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018
[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 Heights, 1E/13, 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:-

S. 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	71%
2	Car seats frame and seats cover	29303	27%
3	Others	-	2%
	Total		**100%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. 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.01.04.2017				No. of Shares held at the end of the year i.e 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
Individuals/ Hindu Undivided Family	44,57,885	0	44,57,885	74.97	43,39,555	0	43,39,555	72.98	(1.99)*
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	
Sub Total(A)(1)	**44,57,885**	**0**	**44,57,885**	**74.97**	**43,39,555**	**0**	**43,39,555**	**72.98**	**(1.99)**
(2) Foreign									
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	
Sub Total(A)(2)	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**44,57,885**	**0**	**44,57,885**	**74.97**	**43,39,555**	**0**	**43,39,555**	**72.98**	**(1.99)**
B. Public shareholding									
(1) Institutions									
Mutual Funds/ UTI	0	0	0	0	0	0	0	0	
Financial Institutions / Banks	783	0	783	0.01	6,294	0	6,294	0.11	0.10
Central Government/ State Government(s)	0	0	0	0	4,900	0	4,900	0.08	0.08
Venture Capital Funds	0	0	0	0	0	0	0	0	
Insurance Companies	0	0	0	0	0	0	0	0	
Foreign Institutional Investors/ Foreign Portfolio Investors	20,997	0	20,997	0.35	41,224	0	41,224	0.69	0.34
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	
Sub-Total (B)(1)	**21,780**	**0**	**21,780**	**0.36**	**52,418**	**0**	**52,418**	**0.88**	**0.52**
(2) Non-institutions									
Bodies Corporate	2,50,811	1,850	2,52,661	4.25	3,02,105	1,850	3,03,955	5.11	0.86
Individuals									
Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	4,80,947	76,876	5,57,823	9.38	6,03,605	51556	6,55,161	11.02	1.64
Individual - ii Individual shareholders holding nominal share capital inexcessof Rs.1lakh.	5,76,026	74,100	6,50,126	10.93	5,07,529	62,700	5,70,229	9.59	(1.34)
Any Other									
NBFC	0	0	0	0	270	0	270	0.01	0.01
Clearing Members	0	0	0	0	3450	0	3450	0.05	0.05
NRI	6,051	0	6,051	0.11	21,288	0	21,288	0.36	0.26
Sub-Total (B)(2)	**13,13,835**	**1,52,826**	**14,66,661**	**24.67**	**14,38,247**	**116,106**	**15,54,353**	**26.14**	**1.47**
Total Public Shareholding (B)= (B) (1)+(B)(2)	**13,35,615**	**1,52,826**	**14,88,441**	**25.03**	**14,90,665**	**116,106**	**16,06,771**	**27.02**	**1.99**
TOTAL (A)+(B)	**57,93,500**	**1,52,826**	**59,46,326**	**100**	**58,30,220**	**1,16,106**	**59,46,326**	**100**	**0**

* The decline in the shares is due to sale of shares by promoters including the re clasification of 16,450 equity shares Ms. Ashita Relan from promoter category to public.

IV. (ii) SHAREHOLDING OF PROMOTERS

S. N.	Name of the Promoter	Shareholding at the beginning of the year i.e. 01.04.2017			Shareholding at the end of the year i.e 31.03.2018			% 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	1933858	32.52	0	1914195	32.19	0	(0.33)
2	Ritu Relan	742520	12.49	0	742520	12.49	0	0
3	Mala Relan	497252	8.36	0	520826	8.76	0	0.40
4	Rohit Relan	428818	7.21	0	428818	7.21	0	0
5	Aashim Relan	300900	5.06	0	304440	5.12	0	0.06
6	Rishabh Relan	158500	2.67	0	121433	2.04	0	(0.63)
7	Pranav Relan	128950	2.17	0	92265	1.55	0	(0.62)
8	Ayush Relan	104000	1.75	0	68421	1.15	0	(0.60)
9	Rohit Relan (HUF)	44400	0.75	0	44400	0.75	0	0
10	Narinder Dev Relan (HUF)	30000	0.51	0	30000	0.51	0	0
11	Ajay Relan (HUF)	19200	0.32	0	19200	0.32	0	0
12	Ram Prakash Chowdhry	600	0.01	0	600	0.01	0	0
13	Indira Chowdhry	52437	0.88	0	52437	0.88	0	0
14	Aashita Relan*	16450	0.27	0	0	0	0	(0.27)
	TOTAL	**4457885**	**74.97**	**0**	**4339555**	**72.98**	**0**	**(1.99)**

*Ceased to be a promoter w.e.f. 29th June, 2017, due to re-classification in public category.

IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2017) / end of the year (31/03/2018)		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	Reason	No. of shares	% of total share capital
1	Ajay Relan (HUF)	19200	0.32	1-Apr-17	-	No Transaction		
		19200	0.32	31-Mar-18			19200	0.32
2	Narinder Dev Relan (HUF)	30000	0.50	1-Apr-17	-	No Transaction		
		30000	0.50	31-Mar-18			30000	0.50
3	Rohit Relan (HUF)	44400	0.75	1-Apr-17	-	No Transaction		
		44400	0.75	31-Mar-18			44400	0.75
4	Ram Prakash Chowdhry	600	0.01	1-Apr-17	-	No Transaction		
		600	0.01	31-Mar-18			600	0.01
5	Rohit Relan	428818	7.21	1-Apr-17	-	No Transaction		
		428818	7.21	31-Mar-18			428818	7.21
6	Ritu Relan	742520	12.49	1-Apr-17	-	No Transaction		
		742520	12.49	31-Mar-18			742520	12.49

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2017) / end of the year (31/03/2018)		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	Reason	No. of shares	% of total share capital
7	Pranav Relan	128950	2.17	1-Apr-17	-			
				13-Oct-17	1701	Sale	127249	2.14
				20-Oct-17	6461	Sale	120788	2.03
				27-Oct-17	1452	Sale	119336	2.01
				24-Nov-17	10571	Sale	108765	1.83
				08-Dec-17	4000	Sale	104765	1.76
				22-Dec-17	12500	Sale	92265	1.55
		92265	1.55	31-Mar-18			92265	1.55
8	Ayush Relan	104000	1.75	1-Apr-17	-			
				31-Oct-17	3593	Sale	100407	1.69
				03-Nov-17	4833	Sale	95574	1.61
				17-Nov-17	8260	Sale	87314	1.47
				24-Nov-17	6393	Sale	80921	1.36
				15-Dec-17	12500	Sale	68421	1.15
		68421	1.15	31-Mar-18			68421	1.15
9	Rishabh Relan	158500	2.67	1-Apr-17				
				10-Nov-17	10000	Sale	148500	2.50
				08-Dec-17	14567	Sale	133933	2.25
				22-Dec-17	12500	Sale	121433	2.04
		121433	2.04	31-Mar-18			121433	2.04
10	Ajay Relan	1933858	32.52	1-Apr-17				
				30-Dec-17	19663	Sale	1914195	32.19
		1914195	32.19	31-Mar-18			1914195	32.19
11	Mala Relan	497252	8.36	1-Apr-17	-			
				05-Jan-18	19663	Purchase	516915	8.69
				09-Mar-18	501	Purchase	517416	8.70
				23-Mar-18	1400	Purchase	518816	8.72
				30-Mar-18	2010	Purchase	520826	8.76
		520826	8.76	31-Mar-18			520826	8.76
12	Aashim Relan	300900	5.06	1-Apr-17				
				21-Apr-17	200	Purchase	301100	5.06
				28-Apr-17	214	Purchase	301314	5.07
				09-Mar-18	300	Purchase	301614	5.07
				16-Mar-18	376	Purchase	301990	5.08
				30-Mar-18	2450	Purchase	304440	5.12
		304440	5.12	31-Mar-18			304440	5.12
13	Aashita Relan*	16450	0.28	1-Apr-17		No Transaction		
		16450	0.28	29-Jun-17			16450	0.28
14	Indira Chowdhry	52437	0.88	1-Apr-17		No Transaction		
		52437	0.88	31-Mar-18			52437	0.88

*Ceased to be a promoter w.e.f. 29th June, 2017, due to re-classification in public category.

Note: Based on the data received from RTA, for the weekly beneficiary promoter holding.

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 (01/04/2017) / end of the year (31/03/2018)		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	Reason	No. of shares	% of total share capital
1	ANKITA CHANNA	50000	0.8408	01-Apr-17		No Transaction		
		50000	0.8408	31-Mar-18			50000	0.8408
2	AUCHLITE CHEMICAL PRIVATE LIMITED	26500	0.4457	01-Apr-17	-			
				21-Apr-17	604	Sale	25896	0.4355
				05-May-17	200	Purchase	26096	0.4389
				02-Jun-17	500	Sale	25596	0.4305
				09-Jun-17	400	Sale	25196	0.4237
				16-Jun-17	900	Sale	24296	0.4086
				30-Jun-17	100	Purchase	24396	0.4103
				04-Aug-17	200	Sale	24196	0.4069
				18-Aug-17	200	Sale	23996	0.4035
				23-Aug-17	100	Sale	23896	0.4019
				01-Sep-17	39	Sale	23857	0.4012
				08-Dec-17	100	Sale	23757	0.3995
				15-Dec-17	100	Sale	23657	0.3978
				29-Dec-17	100	Sale	23557	0.3962
				02-Feb-18	100	Sale	23457	0.3945
		23457	0.3945	31-Mar-18			23457	0.3945
3	BRAHAM ARENJA	60000	1.0090	01-Apr-17				
				30-Jun-17	2000	Sale	58000	0.9754
				08-Sep-17	1000	Purchase	59000	0.9922
				13-Oct-17	1000	Purchase	60000	1.0090
		60000	1.0090	31-Mar-18			60000	1.0090
4	NILAM KUMARI KAPUR	28782	0.4840	01-Apr-17	-			
				02-Jun-17	285	Purchase	29067	0.4888
				09-Jun-17	350	Sale	28717	0.4829
				16-Jun-17	10	Sale	28707	0.4828
				10-Nov-17	50	Sale	28657	0.4819
				24-Nov-17	150	Sale	28507	0.4794
				08-Dec-17	575	Sale	27932	0.4697
				15-Dec-17	2600	Sale	25332	0.4260
				22-Dec-17	1200	Sale	24132	0.4058
				29-Dec-17	1350	Sale	22782	0.3831
				05-Jan-18	1411	Sale	21371	0.3594
				12-Jan-18	1124	Sale	20247	0.3405
				19-Jan-2018	936	Sale	19311	0.3248
				21-Feb-18	992	Sale	18319	0.3081
		18319	0.3081	31-Mar-18			18319	0.3081

5	NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED	NIL	0.00	01-Apr-17				
				11-Aug-17	19000	Purchase	19000	0.3195
				23-Aug-17	19000	Sale	0	0
				06-Oct-17	30700	Purchase	30700	0.5163
				13-Oct-17	6500	Sale	24200	0.4070
				20-Oct-17	11000	Purchase	35200	0.5920
				27-Oct-17	13500	Purchase	48700	0.8190
				26-Jan-18	3000	Sale	45700	0.7685
		45700	0.7685	31-Mar-18			45700	0.7685
6	RAJIV TANDON	29000	0.4877	01-Apr-17		No Transaction		
		29000	0.4877	31-Mar-18			29000	0.4877
7.	RUNNER MARKETING PRIVATE LIMITED	14000	0.2354	01-Apr-17	-			
				21-Apr-17	5000	Purchase	19000	0.3195
				23-Aug-17	19000	Purchase	38000	0.6391
				13-Oct-17	1200	Purchase	39200	0.6592
				20-Oct-17	6054	Sale	33146	0.5574
				27-Oct-17	4500	Sale	28646	0.4817
		28646	0.4817	31-Mar-18			28646	0.4817
8	USHA CHANNA	33462	0.5627	01-Apr-17				
				07-Apr-17	700	Sale	32762	0.5510
				08-Sep-17	700	Sale	32062	0.5392
				15-Sep-17	200	Purchase	32262	0.5426
		32262	0.5426	31-Mar-18			32262	0.5426
9	VANDANA CHANNA	56300	0.9468	01-Apr-17	-			
				12-May-17	200	Purchase	56500	0.9502
				02-Jun-17	200	Sale	56300	0.9468
				16-Jun-17	200	Sale	56100	0.9434
				09-Mar-18	500	Purchase	56600	0.9518
				23-Mar-18	100	Purchase	56700	0.9535
		56700	0.9535	31-Mar-18			56700	0.9535
10.	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD	50000	0.8409	01-Apr-17				
				21-Feb-18	1000	Purchase	60000	1.0090
				23-Feb-18	1000	Purchase	70000	1.1772
		70000	1.1772	31-Mar-18			70000	1.1772
11.	VIJAY AGGARWAL	50000	0.8409	01-Apr-17				
				21-Apr-17	50000	Sale	0	0
				12-May-17	50000	Purchase	50000	0.8409
				06-Oct-17	50000	Sale	0	0
				26-Jan-18	25000	Purchase	25000	0.4204
				21-Feb-18	20000	Sale	5000	0.0841
		5000	0.0841	31-Mar-18			5000	0.0841
12.	VINOD KANTILAL SHAH	60000	1.0090	01-Apr-17	-	No Transaction		
		60000	1.0090	31-Mar-18			60000	1.0090

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 (01/04/2017) / end of the year (31/03/2018)		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	150	0.00	1-Apr-17		No Transaction		
		150	0.00	31-Mar-18			150	0.00
2	Shri Ajay Relan	1933858	32.52	1-Apr-17				
				30-Dec-17	19663	Sale	1914195	32.19
		1914195	32.19	31-Mar-18			1914195	32.19
4	Smt. Sharda Relan	-	-	1-Apr-17		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-18			-	-
5	Shri Rohit Relan	428818	7.21	1-Apr-17		No Transaction		
		428818	7.21	31-Mar-18			428818	7.21
6	Shri R. P. Chowdhry	600	0.01	1-Apr-17		No Transaction		
		600	0.01	31-Mar-18			600	0.01
8	Shri Satinder Kumar Lambah	-	-	1-Apr-17		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-18			-	-
9	Prof. Ashok Kumar Bhattacharya	-	-	1-Apr-17		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-18			-	-
10	Shri Bireswar Mitra	520	0.01	1-Apr-17				
				24-Nov-17	20	Purchase	540	0.01
				08-Dec-17	50	Purchase	590	0.01
				9-Feb-18	10	Purchase	600	0.01
		600	0.01	31-Mar-18			600	0.01
12	Shri Vivek Bhatia	-	-	1-Apr-17		Nil holding / movement during the year		
		-	-	31-Mar-18				
13	Shri Nitin Vishnoi	1000	0.02	1-Apr-17		No Transaction		
		1000	0.02	31-Mar-18			1000	0.02

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

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2792.13	3105.04		5897.17
ii) Interest due but not paid				
iii) Interest accrued but not due	26.05	20.58		46.63
Total (i+ii+iii)	**2818.18**	**3125.62**		**5943.80**
Change in Indebtedness during the financial year*				
Addition	-	-		-
Reduction	2818.18	3125.62		5943.80
Net Change	**2818.18**	**3125.62**		**5943.80**
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

* Includes revaluation effect on foreign currency borrowings

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Ajay Relan	Sharda Relan	Bireswar Mitra	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	469.00	425.00	19.94	**913.94**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.62	11.45	0.38	**22.45**
	(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				
5	Others including provident Fund & reimbursements	26.43	27.15	6.13	**59.71**
	Total (A)	**506.05**	**463.60**	**26.45**	**996.10**
	Ceiling as per the Act#				**1250.45**

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 Lakhs)

S. No.	Particulars of Remuneration	Name Of Directors					Total Amount
		Rohit Relan	R.P. Chowdhry	S.K. Lambah	Kishan N Parikh	A.K. Bhattacharya	
1.	**Independent Directors**						
	- Fee for attending board committee meetings	-	-	4.40	3.60	1.60	**9.60**
	· Commission						
	· Others, please specify						
	Total (1)			**4.40**	**3.60**	**1.60**	**9.60**
2.	**Other Non-Executive Directors**						
	· Fee for attending board committee meetings	0.80	2.60	-	-	-	**3.40**
	· Commission						
	· Others, please specify						
	Total (2)	**0.80**	**2.60**	-	-	-	**3.40**
	Total (B)=(1+2)	**0.80**	**2.60**	**4.40**	**3.60**	**1.60**	**13.00**
	Total Managerial Remuneration (A)+(B)						**1009.10**
	Overall Ceiling as per the Act	Being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013					**1375.50**

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
		Nitin Vishnoi	Vivek Bhatia	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.80	95.00	**111.80**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.40	**0.40**
	(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 including Provident Fund & reimbursements	7.97	12.35	**20.32**
	Total (A)	**24.77**	**107.75**	**132.52**
	Ceiling as per the Act	N.A.	N.A.	N.A.

VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties/punishments/ compounding of offences for the year ending 31st March, 2018.

On behalf of the Board of Directors
For Sharda Motor Industries Limited

Sharda Relan
Co-Chairperson
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

Date : 3rd August, 2018
Place : New Delhi

ANNEXURE V

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Requirements of Rule 5(1)		Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;		(i) Shri Kishan N Parikh - NA (ii) Shri Ajay Relan – 1:131 (iii) Smt. Sharda Relan – 1:120 (iv) Shri Rohit Relan – NA (v) Shri R. P. Chowdhry - NA (vi) Shri Satinder Kumar Lambah-NA (vii) Prof. A.K. Bhattacharya – NA (viii) Shri Bireswar Mitra – 1:7
(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;		Directors : (i) Shri Kishan N Parikh - NA (ii) Shri Ajay Relan - 28% (iii) Smt. Sharda Relan - 15% (iv) Shri Rohit Relan - NA (v) Shri R. P. Chowdhry - NA (vi) Shri Satinder Kumar Lambah-NA (vii) Prof. A.K. Bhattacharya - NA (viii) Shri Bireswar Mitra - 16% Key Managerial Personnel (i) Shri Vivek Bhatia, CFO - 7% (ii) Shri Nitin Vishinoi, Company Secretary - 8%
(iii) the percentage increase in the median remuneration of employees in the financial year;		22.73%
(iv) the number of permanent employees on the rolls of company;		1189 employees as on 31st March, 2018
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;		Average increase in remuneration of non-managerial personnel is 16% against which the increase in average salary of managerial personnel is 15%, which is in the same range and does not need any justification.
(vi) affirmation that the remuneration is as per the remuneration policy of the company		Remuneration paid during the year ended 31st March, 2018 is as per the Remuneration Policy of the Company

General Note:

1. 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 2016-17 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, 2018:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age	Last employment held
Shri Ajay Relan	Managing Director	506.05	B.Com (Hons.) OPM From ,Harvard Business School USA 34 years	01.09.1986	55 years	N.A.
Sharda Relan	Co-Chairperson	463.60	Graduate 51 years	10.08.2016	82 years	N.A.
Aashim Relan	COO	128.60	Graduate in Economics major from “Emory University, Atlanta (U.S.A) 6 years	28.06.2012	27 years	N.A.
Vivek Bhatia	President & CFO	107.75	CA & CS 27 years	01.07.2016	50 years	Jamna Auto Limited
SH Lee	CEO - MWC Plant	80.76	Mechanical Engg. 32 years	07.10.2010	53 years	LG Metals
Sanjiv Kumar Yogi	President - Purchase & SCM	77.44	MBA, M.Tech. 23 years	14.08.2015	45 years	India Yamaha Motor Pvt. Ltd.
Abinash Upadhyay	Chief Peoples Officer	70.39	Post Graduate Diploma in PM 25 years	21.03.2016	50 years	Apollo Tyre Ltd.
Sitangshu Goswami	President Sales & Strategy	67.20	DME 31 years	03.02.2016	52 years	Magna Steyr
Atul Sheth	COO-Western Region	52.85	Post Graduate Diploma in Automobile Engg. 34 years	15.04.2013	56 years	Lear Corporation
K.K. Sharma	President	40.35	B.Com	14.06.1993	47 years	N.A.

B. Employed for part of the year ended 31st March, 2018: No such employee(s).

Notes:

1. The term ‘remuneration’ has the meaning assigned to it under the Companies Act, 2013.
2. The nature of employment of Shri Ajay Relan, Shri SH Lee and Smt. Sharda Relan is contractual, for the rest of the employees, it is other than contractual.
3. Shri Ajay Relan and Shri Rohit Relan are sons of Smt. Sharda Relan. Shri Aashim Relan is the son of Shri Ajay Relan.
4. Except Shri Ajay Relan and Shri Aashim Relan, who are holding 41.27% and 5.12% equity shares of the Company respectively, none of the above employees holds more than 2% of the equity share capital of the Company as on 31st March, 2018 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

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

Our country is going through the most degraded phase in terms of pollution in all forms either it is air, water or soil pollution. In this way, energy conservation offers a practical approach to achieve the development goals. A socially responsible organisation always keeps track of its operations being environmentally efficient. Your company always strives to achieve the highest standards of energy conservation by its continuous efforts in the area of alternate source of energy and efficient use of existing ones. Energy saving initiatives through the organisation in all the plants has helped the Company to reduce its cost of energy. Some of the key initiatives carried out during the year towards conservation of energy are mentioned hereunder:

- Conventional bulbs/ lights have been replaced with LED lights in all the plants.
- Protoshop Timers have been installed to cut the idle running of the machines.
- Air Conservation system for Air Compressor.
- Auto stop timer for shop floor machines, exhaust fans, welding machines.
- Installation of Solar Norikool Advance Day Light System in Nasik Plant.
- Portable compressor provided for WCC cleaning purpose in place of high capacity compressor in Chennai plant.
- 2 Hydraulic Pump (10 KW) eliminated by combining the hydraulic pump & operation in Chakan plant
- Compressed Air Leakage reduced in plants.
- Heavy duty roof top exhaust fan idle time run has eliminated by providing timer.

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

Clean and renewable energy sources are the need of the time. Fossil fuels are non-renewable and causing a great damage to the environment. We have to find more efficient and feasible source of energy for our rapidly increasing demand of energy without harming the environment. Your company has taken steps towards solar and wind energy in its plants.

- Solar Power plants have been initiated in the Nasik plants.
- Company is using Wind Power as its major power source in Chennai Plants.

(iii) The capital investment on energy conservation equipments :

Company has not made any substantial capital investment during the year.

B. TECHNOLOGICAL ABSORPTION:

(i) The efforts made towards technology absorption;

- Improved performance of exhaust system;
- Advanced technology familiarization through workshop and internship programmes;
- Managing extended enterprises;
- Emphasis on absorption of design and manufacturing technology;
- Expansion and modernization programme;

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

- Import substitution and less dependence on technical collaborators;
- Product line extension;
- Improving fuel economy and consequent reduction in CO_2;
- Improvement in core competencies;
- 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. 181.09 Lakhs
- Revenue Expenditure – Rs. 1441.08 Lakhs

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 2017-18.

ANNEXURE VIII

AOC – 2

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 2018, 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**
Nature of contracts/ arrangements/ transactions	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.
Duration of the contracts / arrangements / transactions	Perpetual and ongoing in nature	Recurring, whenever, it will be in the best interest of the Company
Salient terms of the contracts or arrangements or transactions including the value, if any	Upto a maximum of Rs. 600 crores (actual amount of transaction Rs. 381.81 crore) per annum for sale, purchase or supply of goods, materials and Rs. 150 crores (actual amount of transaction Rs. 1.85 crore) 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.
Date(s) of approval by the Board, if any	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 30th May, 2017 as per SEBI (LODR) Regulations, 2015.	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 30th May, 2017 as per SEBI (LODR) Regulations, 2015.
Amount paid as advances, if any:	Nil	Nil

On behalf of the Board of Directors
For Sharda Motor Industries Limited

Sharda Relan
Co-Chairperson
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

Date : 3rd August, 2018
Place : New Delhi

Annexure - IX

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 does 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: Rs. in Lakhs 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	31st March, 2018	31st March, 2017	31st March, 2017	31st March, 2017
2. Date on which the Associate and Joint Venture was associated or acquired	17th October, 1988	15th November, 1993	21st March, 2014	28th January, 2015
3. 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	75.00
Extend of Holding (in percentage)	28.66%	47.12%	50%	50%
4. Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding
5. Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	2486.56	240.15	(8.11)	158.94
7. Profit/Loss for the year				
i. Considered in Consolidation	808.64	70.68	(0.55)	138.33
ii. Not Considered in Consolidation	2012.87	79.32	(0.55)	138.33

*Profit (Loss) figures of associates/ Joint Ventures are unaudited figures for the financial year ended 31st March, 2018.
* Based on the Unaudited Financial Statement as provided by the Company.

Notes

1. There are no associates or joint ventures which are yet to commence operations.
2. 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
Chairperson
DIN:00453209

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 3rd August, 2018
Place : New Delhi

REPORT ON CORPORATE GOVERNANCE

In line with the requirements of Regulation 34(3) read with Clause 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, 2018, in the prescribed format and forming part of the Board 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 manner.

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 has 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, 2018, the Board of Directors of the Company consist eight directors, headed by Shri Kishan N Parikh, Non-Executive/ Independent Director. The composition of the Board is in conformity with Listing Regulations, which stipulates that at least one third of the Board should comprise of Independent Directors if the Chairperson 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 five (5) times during the financial year 2017-18 on 30th May, 2017, 17th July, 2017, 05th September, 2017, 09th December, 2017 and 12th February, 2018. 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 12th February, 2018 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, 2018 and at the last Annual General Meeting, number of other directorships and membership/chairpersonships 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 30th August, 2017	Directorship of other public companies*		Committee position held in other public Companies#		Shareholding in the Company
						Chairperson	Director	Chairperson	Member**	
1.	Shri Kishan N Parikh (00453209) (Chairperson)	Independent/ Non- executive Director	5	5	YES	0	3	0	2	150
2.	Shri Satinder Kumar Lambah (07425155) (Director)	Independent/ Non- executive Director	5	5	YES	0	0	0	0	NIL
3.	Prof. Ashok Kumar Bhattacharya (02804551) (Director)	Independent/ Non- executive Director	5	3	NO	0	0	0	0	NIL
4.	Shri Ajay Relan (00257584) (Managing Director & CEO)	Non-Independent/ Executive Director	5	5	YES	0	2	0	0	19,14,195
5.	Smt. Sharda Relan (00252181) (Director)	Executive Director	5	4	YES	1	2	0	0	NIL
6.	Shri Rohit Relan (00257572) (Director)	Non-Independent/ Non- executive Director	5	2	NO	1	2	0	0	4,28,818

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 30th August, 2017	Directorship of other public companies*		Committee position held in other public Companies#		Shareholding in the Company
						Chairperson	Director	Chairperson	Member**	
7.	Shri R.P. Chowdhry (00337775) (Director)	Non-Independent/ Non- executive Director	5	4	YES	0	0	0	0	600
8.	Shri Bireswar Mitra (06958002) (Director)	Non-Independent/ executive Director	5	2	YES	0	0	0	0	600

Note: Shri Ajay Relan and Shri Rohit Relan are sons of Smt. Sharda Relan. Shri R.P. Chowdhry is father-in-law of Shri Ajay Relan. Apart from this there is no relationship among the directors inter-se.

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

***membership includes chairpersonship.*

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

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 imparted to independent directors are available on company website www.shardamotor.com, under heading 'Investor Relations'.

3. AUDIT 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 Executive 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 the 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 for 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. (iv) review of internal control systems and accounting policies followed by the Company (v) review of the financial statements with the management before their submission to the Board for approval etc. In addition to the above, the 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. Chairperson of the Committee was present at the last Annual General Meeting held on 30th August, 2017 to address the members of the company.

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, 2018, the Audit Committee meetings were held on 30th May, 2017, 17th July, 2017, 05th September, 2017, 09th December, 2017 and 12th February, 2018.

The Composition and attendance of Members at the meeting held during the financial year 2017-18 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent, Non- Executive	Chairperson	5	5
Smt. Sharda Relan	Executive	Member	5	4
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	5	5

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 once on 30th May, 2017.

The Composition and attendance of Members at the meeting held during the financial year 2017-18 are tabulated hereunder:

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

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 the 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 Directors for the year is given below:

EXECUTIVE DIRECTORS **(Rs. in Lakhs)**

Name of Director	Salary	Perks	Performance Incentive	Total
Smt Sharda Relan*	225.00	38.60	200.00	**463.60**
Shri Ajay Relan*	219.00	37.05	250.00	**506.05**
Shri B Mitra	19.94	6.51	Nil	**26.45**
Total	**463.94**	**82.16**	**450.00**	**996.10**

In addition to above, arrear of Rs. 20.00 Lacs and Rs.25.00 for the financial year 2016-17 was paid to Smt. Sharda Relan and Shri Ajay Relan respectively.

NON-EXECUTIVE DIRECTORS **(Rs. in Lakhs)**

Name of Director	Sitting fee
Shri Kishan N Parikh	3.60
Shri Satinder Kumar Lambah	4.40
Prof. Ashok Kumar Bhattacharya	1.60
Shri R. P. Chowdhry	2.60
Shri Rohit Relan	0.80
TOTAL	**13.00**

Notes:

1. The tenure of executive directors of the Company is 5 years from the date of their re-appointment at current designation;;
2. At present the Company does not have any Employee Stock Option Scheme;
3. Notice period is three calendar months or lesser notice in writing as may be agreed mutually;
4. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors;

5. No commission was paid to non-executive directors during the year;
6. Performance incentive is paid to executive directors based on their individual goals related to production, sales and company targets like profit, revenue from operations and such other criteria;
7. 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

The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met four times in 2017-18 on 30th May, 2017, 05th September, 2017, 09th December, 2017 and 10th February, 2018. The necessary quorum was present for all the meetings. The Chairperson of the Committee was present at the last Annual General Meeting of the Company held on 30th August, 2017.

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

- Issue of Duplicate Share Certificates;
- Issues pertaining to non-receipt ofAnnual Report, dividend, Share Certificates and transfer / transmission of Shares etc.;
- Expeditious redressal of investors grievances;
- Requests 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, 2018 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	Chairperson	4	4
Smt. Sharda Relan	Executive	Member	4	4
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	4	4

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, 2018, status of investor grievance is tabulated hereunder:

PARTICULAR		Numbers
Complaint pending as on 1st April, 2017	:	NIL
Complaints received during the financial year 2017-18	:	2
Complaints disposed off up to the satisfaction of share holder during the financial year 2017-18	:	2
Complaints pending as on 31st March, 2018	:	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, 2018.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Corporate Social Responsibility Committee of the Company consists of four directors having two non-executive independent and two executive directors. 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 2017-18, CSR Committee met once on 12th February, 2018. The attendance at the Committee meeting held during the year ended 31st March, 2018, is as under:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Smt. Sharda Relan	Executive	Chairperson	1	None
Shri Kishan N Parikh	Independent, Non-Executive	Member	1	1
Shri Ajay Relan	Executive	Member	1	1
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	1	1

The Corporate Social Responsibility Report for the year ended 31st March, 2018 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
32	2016-17	PHD Chamber of Commerce, New Delhi	30.08.2017	12:00 noon	None
31	2015-16	PHD Chamber of Commerce, New Delhi	07.09.2016	11:30 am	Two
30	2014-15	India Habitat Centre, New Delhi	26.08.2015	12:30 pm	One

B. Extraordinary General Meetings

No Extraordinary General Meetings held during the year under review.

C. Resolutions Passed through Postal Ballot

During the financial year 2017-2018, one Postal Ballot processes were completed as per the provisions of Section 110 of the Companies Act, 2013. The Company has passed a resolution by way of postal ballot as on 28th May, 2017 for taking approval of the members of the company for re-classification of Ms. Aashita Relan, from promoter to public category.

Voting Pattern and Procedure for Postal Ballot

1. The Company dispatches the postal ballot notice/ e-voting dated 26th April, 2017 containing draft resolutions together with explanatory statements, the postal ballot forms and self-addressed business reply envelopes to the members whose names appear in the register of members as on 21st April, 2017.
2. 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 reply envelope so as to reach the scrutinizer on or before 28th May, 2017 (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 29th April, 2017 to 28th May, 2017.
3. 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.
4. After proper scrutiny of the postal ballot forms/ e-voting received upto 28th May, 2017 (05:00 P.M. IST), scrutinizer submitted his final report on 29th May, 2017.
5. The result of the Postal Ballot/ e-voting was declared on 30th May, 2017.
6. 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 and submitted to stock exchange where company's shares are listed.

Results:

Details of the Resolution Special/ Ordinary Resolution	No. of valid votes cast	Votes cast in favour of the resolution		Votes cast against the resolution	
		No.	%	No.	%
To approve the re-classification of share holding of Ms. Aashita Relan from promoter to public category.	31,16,104	31,16,094	99.99	10	0.01

8. DISCLOSURES

a) The Board has received disclosure 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 Ind AS 24, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statements 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.

b) Shri Rohit Relan and Shri Bireswar Mitra, Directors shall retire by rotation and being eligible and offered themselves for re-appointment at the ensuing Annual General Meeting of the Company.

c) 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.

d) 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.

e) 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.

f) 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, the Company has in place adequate risk measures and control systems which identify the risks, assess their severity and their potential effect on the performance of the Company through systematic report and charts.

g) 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.

h) At present the Company does not have any subsidiary company.

i) 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.

j) 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.

k) 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 and audited annual financial results are announced within the stipulated time 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.

Such results are generally published within 48 hours in two Newspapers, one in English newspaper (Financial Express) and the other one in Hindi newspaper (Vir Arjun), and are also displayed on the website of the Company 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	:	Thursday
Date	:	27th September, 2018
Time	:	12:00 Noon
Venue	:	PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India
Financial Year	:	1st April to 31st March
Date of Book Closure	:	21st September, 2018 to 27th September, 2018 (Both days inclusive)
Dividend Payment		An interim dividend of Rs. 6.25 per equity share i.e. 62.50% on the paid up equity capital of the Company for the financial year 2017-18 was paid in February, 2018. The Board has also recommended a final dividend of Rs. 6.25 per equity share i.e. 62.50% 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 2017-18 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, 5th 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-17	2170.00	1910.00	2170.00	1902.00
May-17	2144.90	1701.60	2144.30	1702.10
Jun-17	3000.00	2220.00	3007.50	2201.10
Jul-17	2879.00	2614.65	2897.00	2601.00
Aug-17	2828.00	2388.00	2832.90	2399.00
Sep-17	3099.65	2451.00	3140.00	2501.00
Oct-17	2805.00	2500.00	2836.00	2480.90
Nov-17	2585.00	2235.50	2550.00	2230.00
Dec-17	2748.00	2250.00	2754.00	2267.15
Jan-18	2744.40	2295.00	2727.00	2292.05
Feb-18	2560.00	2160.00	2575.00	2150.00
Mar-18	2248.50	1720.05	2259.00	1749.95

Source: www.bseindia.com, www.nseindia.com

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/split etc. were duly 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 be transferred 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, 2018

Category (No. of shares)	No. of shareholders	% of shareholders	No. of Shares	% of equity shares
1 to 100	7258	86.80	155455	2.61
101 to 500	762	9.11	169342	2.85
501 to 1000	138	1.65	104129	1.75
1001 to 5000	140	1.67	297119	5.00
5001 to 10000	19	0.23	139957	2.35
10001 to 20000	21	0.25	289223	4.86
20001 to 30000	8	0.09	215301	3.62
30001 to 40000	1	0.01	31014	0.52
40001 to 50000	3	0.04	140100	2.36
50001 to 100000	6	0.07	395387	6.65
100001 to 500000	3	0.04	841758	14.16
500001 to ABOVE	3	0.04	3167541	53.27
Total	**8362**	**100**	**5946326**	**100**

Shareholding Pattern as on 31st March, 2018

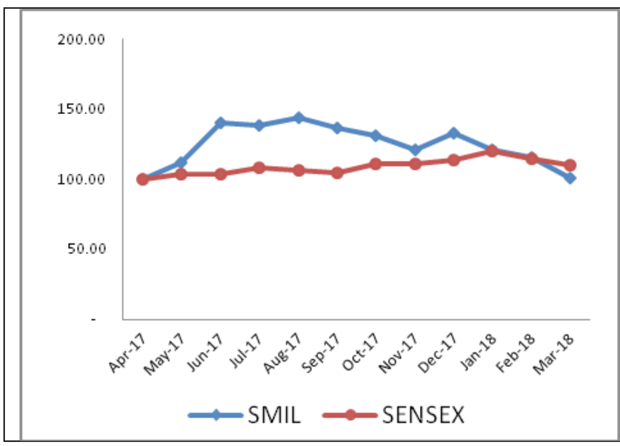
Category Code	Category	Total No. of shares	% of total no. of shares
(A)	**Promoters and Promoter Group**		
(i)	Resident Individual	43,39,555	72.98%
(B)	**Public Shareholding**		
	Foreign Portfolio Investors	41,224	0.69%
	Financial Institutions/ Banks	6,294	0.11%
	Central/ State Governments	4,900	0.08%
	Corporate Bodies	303,955	5.11%
	Resident Individuals/ HUF	12,25,390	20.61%
	NRI	21,288	0.36%
	NBFCs	270	0.01%
	Clearing Members	3,450	0.05%
	Total Shareholding	59,46,326	100.00%

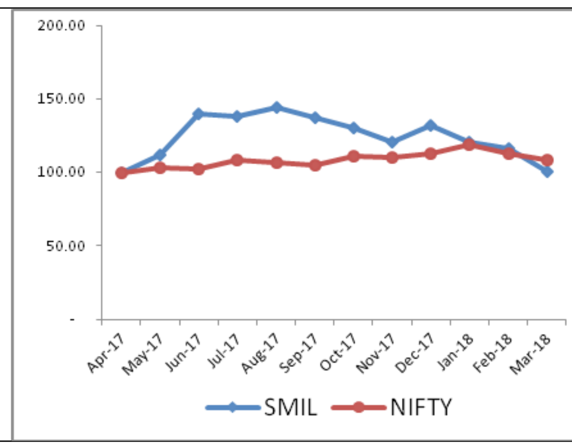
Performance of Sharda Motor Industries Limited (SMIL) share price in comparison of BSE SENSEX and NSE NIFTY 50

(Closing value of SMIL share price Vs. BSE Sensex & SMIL share price Vs. NSE NIFTY 50 on the last trading of the month)

Base is considered to be 100 as at April, 2017 in both the charts. Further, during the year under review, Securities were never suspended from trading on the above said Stock Exchanges.

Source: www.bseindia.com, www.nseindia.com





Source: www.bseindia.com, www.nseindia.com

Dematerialization of shares and liquidity

The shares of the Company are generally 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, 2018, 98.05% shares of the Company are in dematerialized form. Further in compliance with the SEBI Circular No. SEBI/ LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that w.e.f. December 5, 2018, no physical shares are allowed to be transferred (except in case of transmission or transposition of Shares) unless the securities are held in the dematerialized form and the Shareholders holding shares in physical form were duly informed for dematerialization of their physical shareholdings

Outstanding GDRs /ADRs / Warrants : Not Issued

Plant Locations:

1. 58 KM, Delhi Jaipur Highway, Behind Terry Soft, Village & P. O. Binola-122413
2. Plot No. A-1/8, MVML Vendor Park MIDC, Phase-IV, Nigo JE Chakan, Pune-411013
3. G-20, Sipcot Industrial Park, IrungattuKottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu-602105
4. Mahindra World City, Changalpattu Taluk, Kanchepuram Dist. Industrial Park, Tamilnadu-603002

5. Plot No. 276,Udyog Vihar, Phase-VI, Gurgaon (Haryana)
6. Plot no. 366, Pace City -II, Udyog Vihar, Phase-IV, Gurgaon-122001
7. Plot No.4, Sector-31, Greater Noida, Distt. Gautam Budh Nagar, (U.P.)
8. Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar (Uttranchal)
9. Plot No.112, M.I.D.C., Satpur, Nasik-7, Maharashtra
10. Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik– 422007
11. C-506, Block - C, Pioneer Industrial Park (Village Bhudka) Pathredi, Gurgaon (Haryana)
12. Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujarat.
13. Plot No. 558, 559, Surajpur Bypass Industrial Area, Greater Noida, (U.P.)

Address for Investors Correspondence:
Registrar and Share Transfer Agent:
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 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 2017-18.

For **Sharda Motor Industries Ltd**

Ajay Relan
Managing Director& CEO
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 31.03.2018

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 Vivek Bhatia, Chief Financial Officer of M/s. Sharda Motor Industries Limited do hereby certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the year 2017-18 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

(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 2017-18;

  (ii) that there are no significant changes in accounting policies during the year 2017-18; and

  (iii) that there are no instances of significant fraud of which we have become aware.

For **Sharda Motor Industries Ltd**

Vivek Bhatia	**Ajay Relan**
Chief Financial Officer	**Managing Director**
M.No. 89846	**DIN:00257584**

AUDITORS' CERTIFICATE

To
The Members of
Sharda Motor Industries Limited

We have examined the compliance of conditions of Corporate Governance by Sharda Motor Industries Limited for the year ended on 31st March 2018 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 Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement 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 the provisions specified 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 exchanges.

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.

For Gupta Vigg & Co.,
Chartered Accountants
Firm Registration No. 001393N

CA Deepak Pokhriyal
Partner
Membership No. 524778

Place: New Delhi
Date : 03/08/2018

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

According to a Society of Indian Automobile Manufacturers ("SIAM"), the Indian automotive industry is set to further improve its performance in FY2018-19, compared to FY18. The industry forecasts the sales growth of passenger vehicles in FY19 at 8-10 per cent, with utility vehicles growing at 14-15 per cent and cars up between 8-9 per cent in the domestic market. Considering the increasing content per vehicle due to various technological advancement as well as regulatory measures (emission, safety regulations), the growth in the auto component industry will be relatively higher than the underlying growth in the automotive industry in the medium to long term. The revenue growth of auto ancillaries is expected to be at 11-13% for FY2019, given healthy growth expected across key automotive sub-segments. It would maintain 10-12% long term (5 year) CAGR as expected out of Indian auto component industry. India is expected to become the 4th largest automobiles producer globally by 2020 after China, US & Japan. The auto components industry is also expected to become the 3rd largest in the world by 2025. Automotive Component Manufacturers Association of India (ACMA), strongly believes that the Indian auto-components industry is expected to register a turnover of US$ 100 billion by 2020 backed by strong exports ranging between US$ 80- US$ 100 billion by 2026, from the current US$ 11.2 billion.

B. OPPORTUNITIES & THREATS

OPPORTUNITIES

It is worth to notice that despite fears and threats, the investment made by private equity investors in the automobile component sector has increased 6 to 7 per cent between January-May 2017, as per the latest report by Department of Industrial Policy and Promotion. Beyond this, the industry has witnessed $254.8 million or mergers and acquisition deals in the same period. In a hugely populated country like India, a complete green revolution seems less pragmatic and dual-fuel technology is the most viable option. Hence, statistics as well as the economic scenario of the country, reveal that there are enough growth opportunities available in the market. Although, the entrepreneurs in the industry are a bit concerned but they are ready to come up with plans to exploit future opportunities. As the recent report by Automotive Component Manufacturers Association of India (ACMA) informs that the Indian auto components industry is quite close to a turnover of $100 billion by 2020 because of improved exports, which is expected to reach almost $100 billion by 2026, nearly 10-times higher than the current export value . The rapidly globalizing world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the changes via systematic research and development.

THREATS

There is a direct relationship between the economic growth of the country and the performance of its major industries, including the automobile sector, which is also responsible for the allied sectors, especially auto component that is the most prominent among them. The auto components industry of India is 20 times bigger employer than original equipment manufacturers (OEMs), and its share in the country's annual GDP is almost 7 per cent. These facts are enough to explain that how significant are the industries in the overall growth of the economy, but changing industry dynamics are scaring the leaders of this industry. Auto component manufacturers are afraid of the government's plans for electric vehicles, and it seems this transition may affect with the future goals of the industry. Usually, an internal combustion engine (ICE) of most of the cars works on more than 2,000 moving parts, but the engine of an electric vehicle doesn't require more than 20 similar parts / components.

C. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The company is operating under signal segment since Company's primary business segment involves manufacturing and trading of auto component parts.

D. RISKS AND CONCERNS

The risks and concerns of the Indian auto component industry are closely linked with stiff overseas competition, uncertainty arising from currency volatility, low-priced imports, counterfeit parts and oil pricing. The industry efforts to mitigate the above risks along with policy measures of the government would determine the impact of the above risks on the industry going forward.

Operational risks like shortage of power which leads to increase in cost of production and change in technology which makes existing technology obsolete, rupees depression at the time of import 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 reports 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 Summary' of Board Report.

G. HUMAN RESOURCES AND DEVELOPMENT

At SMIL, we believe in fostering equal employment opportunities, where individuals are selected and treated on the basis of their job-relevant merits and are given equal opportunities within the organization. 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 1189 permanent employees as on 31st March, 2018. The industrial relations remained peaceful and cordial throughout the year.

H. STATUTORY COMPLIANCE

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

Further pursuant to Listing Regulations, the Company regularly obtains 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 : https://www.ibef.org/industry/autocomponents-india.aspx

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Sharda Motor Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Act read with the companies (Indian accounting Standards) Rule 2015 as amended.

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 standalone Ind AS 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 Ind AS 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 thereunder.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standaloneInd AS financial statements, whether due to fraudor error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its Profit (including other comprehensive income), its cash flows and the changes in the equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on thepreviously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 27, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.Our opinion is not modified in respect of above matter.

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 purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

   (e) On the basis of written representations received from the directors, as on March 31, 2018,taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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"; 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 21.1 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There were no amounts which were 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 sub-section (11) of section 143 of the Act, we give in the"Annexure B",a statement on the matters specified in paragraphs 3 and 4 of the said Order.

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778

Place of Signature: Nashik, Maharashtra
Date: May 26, 2018

Annexure 'A' To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members 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, 2018 in conjunction with our audit of the standalone Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, 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, 2018, 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 Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778

Place of Signature: Nashik, Maharashtra
Date: May 26, 2018

Annexure 'B' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018, 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 periodic intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company. One title deed has been mortgaged with a bank for securing the short term borrowing, detail of the same are disclosed in Note No. 17 of the standalone Ind AS financial statements.

(ii) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year, except for stock-in-transit and stocks lying with third parties. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, discrepancies noticed on such verification between physical stocks and the book records were not material and these have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185. The company has complied with the provisions of Sections 186 of the Act in respect of investments made. The Company has not granted any loans and has not provided any guarantees or securities to parties covered under Section 186 of the Act.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under subsection (I) of Section 148 of the Act in respect of product covered and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii)

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of excise, duty of customs, goods and service tax, cess and other applicable 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 duty of custom of Rs.6.59 lakhs.

(b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. Further, according to the information and explanations given to us, except as stated below, there are no dues of income-tax, sales tax, value added tax, service tax and duty of excise which have not been deposited by the Company on account of any disputes:

S. No.	Nature of statute	Nature of dues	Amount (Rs. in lakhs)*	Period to which amount relates	Forum where dispute is pending
1	U.P. Entry Tax Act	Entry tax	0.90	F.Y. 2001-02	Appellate Authority UP Trade Tax
2	Maharashtra Sales Tax Act	VAT	23.69	F.Y. 2010-11	Sales Tax Tribunal, Nashik
			9.39	F.Y. 2011-12	Joint Commissioner, Nashik
3	Tamil Nadu Sales Tax Act	VAT	29.72	F.Y. 2005-06 & 2006-07	High Court, Madras
4	Service Tax under Finance Act, 1994	Service Tax	34.02	F.Y. 2011-12, 2012-13, 2013-14 & 2014-15	CESTAT, Chennai
			8.16	F.Y. 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15	CESTAT, Ahmedabad
			4.30	F.Y. 2011-12, 2012-13, 2013-14 & 2014-15	CESTAT, Mumbai

S. No.	Nature of statute	Nature of dues	Amount (Rs. in lakhs)*	Period to which amount relates	Forum where dispute is pending
5	Central Excise Act	Cenvat Credit	2.24	F.Y. 2007-08	Commissioner Central Excise & Service Tax (Appeals) LTU, New Delhi
			440.00	F.Y. 2008-09 & 2009-10	Hon'ble Supreme Court of India
			0.83	F.Y. 2015-16 & 2016-17	Asst. Comm. Central excise & Service tax LTU, New Delhi
			1.39	F.Y. 2014-15 & 2015-16	CESTAT, Chennai
			7.35	F.Y. 2010-11 & 2011-12	CESTAT, Mumbai
6	Income Tax Act	Income Tax	41.55	A.Y. 2012-13	ITAT, New Delhi

* Net of protest money paid.

(viii) On the basis of information and explanation provided to us, Company has not defaulted in repayment of loans and borrowings to financial institution and bank. The Company has not taken any loan from Government and has not issued any debentures.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of Initial public offer or future public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. .

(xii) The Company is not a Nidhi company, hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(xiii) Based on our examination of the books of account and records of the Company, all transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the standalone Ind AS financial statements , as required by the applicable Indian 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) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into 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 Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778

Place of Signature: Nashik, Maharashtra
Date: May 26, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I. Assets				
Non-current assets				
(a) Property, plant and equipment	4	17,472.11	19,551.16	23,023.46
(b) Capital work in progress	5	36.28	71.25	385.87
(c) Other Intangible assets	6	440.00	864.36	1,241.26
(d) Financial assets				
(i) Investments	7	216.25	215.07	215.51
(ii) Other financial assets	8	284.70	225.38	467.86
(e) Non-current tax asset (net)	9	50.06	86.13	379.18
(f) Other non-current assets	10	872.18	498.31	750.67
Total non-current assets		**19,371.58**	**21,511.66**	**26,463.81**
Current assets				
(a) Inventories	11	8,562.04	7,183.69	8,274.17
(b) Financial assets				
(i) Investments	7	10,407.08	7,796.54	2,897.98
(ii) Trade receivables	12	12,240.73	10,806.98	10,012.73
(iii) Cash and cash equivalents	13	2,200.73	582.36	251.79
(iv) Bank balances other than (iii) above	14	5,170.17	5,403.83	3,446.92
(v) Other financial assets	8	160.27	1,231.28	142.18
(c) Other current assets	10	548.11	625.95	1,017.65
(d) Asset held for sale	31(ii)	19.58	18.99	-
Total current assets		**39,308.71**	**33,649.62**	**26,043.42**
Total assets		**58,680.29**	**55,161.28**	**52,507.23**
II. Equity And Liabilities				
Equity				
(a) Equity share capital	15	594.63	594.63	594.63
(b) Other equity	16	34,908.13	27,937.47	23,163.19
Total equity		**35,502.76**	**28,532.10**	**23,757.82**
Liabilities				
Non- current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	-	1,118.42	1,859.46
(b) Provisions	21	205.17	171.46	148.42
(c) Deferred tax liability (net)	33	781.02	1,039.07	1,154.04
(d) Other non-current liabilities	20	218.26	235.77	200.45
Total non- current liabilities		**1,204.45**	**2,564.72**	**3,362.37**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	-	2,804.41	8,447.75
(ii) Trade payables	18			
- Total outstanding dues to micro and small enterprises		-	-	-
- Total outstanding dues to parties other than micro and small enterprises		18,291.78	16,401.75	12,552.03
(iii) Other financial liabilities	19	516.29	2,420.86	2,253.01
(b) Other current liabilities	20	2,931.49	2,137.02	1,953.71
(c) Provisions	21	233.52	300.42	180.54
Total current liabilities		**21,973.08**	**24,064.46**	**25,387.04**
Total liabilities		**23,177.53**	**26,629.18**	**28,749.41**
Total equity and liabilities		**58,680.29**	**55,161.28**	**52,507.23**
Summary of Significant Accounting Policies	3			

The accompanying notes form an integral part of these financial statements
As per our Audit Report of even date attached
For **Gupta Vigg & Co.**
Chartered Accountants
Firm's Registration Number 001393N

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

(CA. Deepak Pokhriyal)
Partner
M.NO. 524778

Kishan N Parikh
Chairperson
DIN:00453209

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Place of Signature: Nashik, Maharashtra
Dated : May 26, 2018

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	22	120,425.88	122,538.86
II	Other income	23	1,780.30	1,385.78
III	**Total income (I+II)**		**122,206.18**	**123,924.64**
IV	**Expenses**			
	(a) Cost of materials consumed	24	73,125.90	66,231.84
	(b) Purchases of stock-in-trade	25	6,060.51	5,189.74
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	26	(231.00)	195.18
	(d) Excise duty		4,881.31	18,350.35
	(e) Employee benefits expense	27	8,203.22	7,282.78
	(f) Finance costs	28	213.00	759.57
	(g) Depreciation and amortization expense	29	4,377.89	4,979.38
	(h) Other expenses	30	13,841.90	12,306.89
	Total expenses		**110,472.73**	**115,295.73**
V	**Profit before exceptional items and tax (III-IV)**		**11,733.45**	**8,628.91**
VI	**Exceptional Items**	31	58.73	915.27
VII	**Profit before tax (V-VI)**		**11,674.72**	**7,713.64**
VIII	**Tax expense:**			
	(a) Current tax	32.1	4,088.59	2,677.43
	(b) Deferred tax	32.1	(274.89)	(639.26)
	Total tax expense		**3,813.70**	**2,038.17**
IX	**Profit for the year (VII-VIII)**		**7,861.02**	**5,675.47**
X	**Other Comprehensive Income**			
(A)	(i) Items that will not be reclassified to profit or loss - Re-measurement gains/ (losses) on defined benefit plans		6.48	(10.05)
	(ii) Income tax on items that will not be reclassified to profit or loss		(2.24)	3.48
(B)	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax on items that will not be reclassified to profit or loss		-	-
	Total other comprehensive income for the year, net of tax		**4.24**	**(6.57)**
XI	**Total comprehensive income for the year, net of tax (IX+X)**		**7,865.26**	**5,668.90**
XII	**Earnings per share: (Face value ₹ 10 per share)**	34		
	1) Basic (amount in ₹)		132.20	95.45
	2) Diluted (amount in ₹)		132.20	95.45
	Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Audit Report of even date attached

For **Gupta Vigg & Co.**
Chartered Accountants
Firm's Registration Number 001393N

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

(CA. Deepak Pokhriyal)
Partner
M.NO. 524778

Kishan N Parikh
Chairperson
DIN:00453209

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Place of Signature: Nashik, Maharashtra
Dated : May 26, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital	Amount
Balance as at April 01, 2016	**594.63**
Changes during the year	-
Balance as at March 31, 2017	**594.63**
Changes during the year	-
Balance as at March 31, 2018	**594.63**

B. Other Equity

	Reserve & Surplus				
	Capital Reserve	General Reserve	Retained earnings	Other comprehensive income- Remeasurement of defined benefit obligation	Total
Balance as at April 01, 2016	0.20	21,025.68	2,135.11	2.20	23,163.19
Profit for the year	-	-	5,675.47	-	5,675.47
Transfer to General Reserve	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	(6.57)	(6.57)
Total Comprehensive Income	**-**	**-**	**5,675.47**	**(6.57)**	**5,668.90**
Payment of Dividend	-	-	(743.28)	-	(743.28)
Dividend Distribution Tax	-	-	(151.34)	-	(151.34)
Balance as at March 31, 2017	**0.20**	**21,025.68**	**6,915.96**	**(4.37)**	**27,937.47**
Profit for the year	-	-	7,861.02	-	7,861.02
Transfer to General Reserve	-		-	-	-
Other comprehensive income for the year, net of tax	-	-		4.24	4.24
Total Comprehensive Income	**-**	**-**	**7,861.02**	**4.24**	**7,865.26**
Payment of Dividend	-	-	(743.28)		(743.28)
Dividend Distribution Tax	-	-	(151.34)		(151.34)
Balance as at March 31, 2018	**0.20**	**21,025.68**	**13,882.38**	**(0.13)**	**34,908.13**

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these financial statements

As per our Audit Report of even date attached

For **Gupta Vigg & Co.**
Chartered Accountants
Firm's Registration Number 001393N

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

(CA. Deepak Pokhriyal)
Partner
M.NO. 524778

Kishan N Parikh
Chairperson
DIN:00453209

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Place of Signature: Nashik, Maharashtra
Dated : May 26, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	11,674.72	7,713.64
	Adjustments for:		
	Depreciation and amortization	4,377.89	4,979.38
	Finance cost	213.00	759.57
	Interest income	(365.13)	(381.88)
	Interest income under effective interest rate method on security deposits at amortised cost	(0.66)	(0.61)
	Dividend income	(258.24)	(81.00)
	Loss / (Gain) on sale of financial asset measured at Fair value through profit and loss (FVTPL)	(346.08)	(164.42)
	Pre- Operative Expenses Written Off	-	738.87
	Diminution in value of asset held for sale	58.73	176.40
	Property, Plant and Equipment written off	16.90	-
	Provision for doubtful debts	2.51	-
	Amount written off (net)	-	(22.58)
	Loss / (Gain) on sale of property, plant and equipment (net)	(352.18)	(233.02)
	Fair value gain on investment in mutual fund designated at FVTPL	(193.69)	(269.58)
	Unrealized loss/(gain) on reinstatement of foreign exchange (net)	(16.74)	9.54
	Fair value losses on derivatives not designated as hedged	111.36	158.13
	Operating profit / (loss) before adjustments	**14,922.39**	**13,382.44**
	Adjustments for:		
	Decrease/(increase) in inventories	(1,378.35)	1,090.48
	Decrease/(increase) in trade receivables	(1,513.76)	(794.25)
	Decrease/(increase) in other financial assets	989.61	(18.32)
	Decrease/(increase) in other assets	77.86	436.89
	Increase in trade payables	1,883.20	3,840.17
	Increase in other liabilities	776.97	218.60
	Increase in other financial liabilities	(115.59)	(0.45)
	Increase/(decrease) in provisions	(26.71)	132.86
	Cash generated from operating activities	**15,615.62**	**18,288.42**
	Taxes (paid) / refund	(4,037.92)	(1,856.61)
	Net cash from operating activities - (A)	**11,577.70**	**16,431.81**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment including capital work-in-progress	(2,520.70)	(2,171.90)
	Acquisition of intangible assets including intangible assets under development	(55.82)	(116.40)
	Proceeds from sale of property, plant and equipment	761.27	822.26
	Payments for purchase of investments	(16,003.93)	(8,481.64)
	Proceeds from sale of investments	13,931.96	3,063.41
	Bank deposits made	233.66	(1,956.91)
	Dividend received	258.24	81.00
	Interest received	388.61	350.16
	Net cash used in investing activities - (B)	**(3,006.71)**	**(8,410.02)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of borrowings	(5,794.70)	(5,982.14)
	Finance cost paid	(259.63)	(814.18)
	Dividend paid (including corporate dividend tax)	(898.29)	(894.90)
	Net cash from financing activities - (C)	**(6,952.62)**	**(7,691.22)**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**1,618.37**	**330.57**
	Cash and cash equivalents at the beginning of the year	582.36	251.79
	Cash and cash equivalents at the end of the year [refer note 13]	**2,200.73**	**582.36**

Note:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-""Statement of cash flow

ii) Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 13).

As per our Audit Report of even date attached

For **Gupta Vigg & Co.**
Chartered Accountants
Firm's Registration Number 001393N

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

(CA. Deepak Pokhriyal)
Partner
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President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Place of Signature: Nashik, Maharashtra
Dated : May 26, 2018

Notes to financial statements for the year ended March 31, 2018

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. The Company's 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

2.1 <u>Statement of Compliance:</u>

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Upto the year ended 31st March, 2017, the Company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to the Ind AS is April 01, 2016. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 41.

The financial statements were authorized for issue by the Company's Board of Directors on May 26, 2018.

2.2 <u>Basis of preparation and presentation:</u>

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial assets and liabilities (including derivative instruments) and net defined benefits (assets)/liability which are measured at fair value and fair value of the plan assets less present value of defined benefits obligations respectively at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below.

2.3 <u>Going concern:</u>

The board of directors have considered the financial position of the Company at March, 31 2018 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 <u>Use of estimates and judgements:</u>

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

<u>Judgements</u>

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements:

- useful life of Property, plant and equipment

- useful life of Intangible assets

- provisions and contingent liabilities

- income taxes

- lease classification and judgement regarding whether an arrangement contain a lease

<u>Assumptions and estimation uncertainties</u>

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018:

- measurement of defined benefit obligations: key actuarial assumptions

- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources

- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.5 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.6 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, sales incentives, value added taxes.

The Company recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk and reward and degree of managerial involvement associated with ownership or effective control have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

Sale of goods

Domestic sales are recognised on transfer of significant risk and rewards of ownership 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 and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities.

Sale includes revision in prices received from customers with retrospective effect.

Income from Services

Rendering of services is recognised under the proportionate completion method provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration.

Dividend and Interest Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial instrument to the gross carrying amount of the financial asset.

3.2 Recognition of interest expense:

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments throughout the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.3 <u>Property, Plant and Equipment (PPE):</u>

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development as at the balance sheet date.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II .

Asset	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

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%

3.4 <u>Intangible assets:</u>

Intangible assets comprise of computer software (which does not form 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 principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation method and useful lives: 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.

3.5 <u>Research & Development Costs:</u>

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 labour 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 depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.6 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.7 Foreign currencies:

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ lakhs except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

The Company has one branch office outside India whose financial statement 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 profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.8 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 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 or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.9 Leases:

Determining whether arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

Lease payments

Payments made under operating leases are recognised in statement of profit or loss on a straight line basis over the term of the lease unless such payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expenses over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.10 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken 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.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3.11 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed when there is a possible asset that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company.

3.12 Financial instruments:

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

Financial asset and financial liabilities are initially measured at fair value. Transaction cost which are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

(a) Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

• those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

• Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.

• Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

• Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.

• Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has an equity investment in an entity which is not held for trading. The Company has elected to measure this investment at amortised cost. Dividend, if any, on this investments is recognised in profit or loss.

Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in mutual funds are measured at fair value through profit and loss. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Trade receivables

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

• financial assets measured at amortised cost

• financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

• the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or

• full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

A financial asset is derecognised only when

• The Company has transferred the rights to receive cash flows from the financial asset or

• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(b) Financial liabilities and equity instruments

Classification of debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.13 <u>Derivative financial instruments:</u>

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

3.14 <u>Taxes:</u>

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.15 Impairment of tangible and intangible assets:

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.16 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.17 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.18 Dividends;

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

3.19 Assets Held for Sale;

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.20 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

3.21 Recent accounting pronouncements-Standards issued but not yet effective:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is yet to decide the method of applicability and is evaluating the requirements of the amendment and its effect on the financial statements.

Modifications on Ind AS 102, have been issued by MCA, however the standard is not applicable to the Company

Amendment to Ind AS 12 : The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements and its impact on the financial statements.

Note 4 : Property, Plant and Equipment

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross Block										
(At deemed cost)										
As at April 01, 2016	1,403.31	753.22	11,713.03	4,952.90	164.74	45.63	71.89	1,051.74	241.69	20,398.15
Add: Additions made during the year	-	-	1,540.56	9.02	43.71	29.80	8.77	-	174.32	1,806.18
Less: Disposals /adjustments during the year	-	111.00	943.84	-	0.05	-	0.30	14.62	5.63	1,075.43
As at March 31, 2017	**1,403.31**	**642.22**	**12,309.75**	**4,961.92**	**208.40**	**75.43**	**80.36**	**1,037.12**	**410.38**	**21,128.90**
Add: Additions made during the year	-	-	1,930.41	27.32	34.52	66.58	14.61	33.81	46.66	2,153.91
Less: Disposals / adjustments during the year	-	-	684.62	-	5.69	6.69	1.85	8.12	18.10	725.07
As at March 31, 2018	**1,403.31**	**642.22**	**13,555.53**	**4,989.24**	**237.24**	**135.33**	**93.12**	**1,062.81**	**438.93**	**22,557.74**
Depreciation and impairment										
As at April 01, 2016	-	-	-	-	-	-	-	-		-
Add: Depreciation charge for the year	-	8.67	3,119.95	495.72	59.14	25.11	24.13	197.90	77.96	4,008.59
Less: On disposals / adjustments during the year	-	-	176.72	-	0.05	-	0.30	2.46	0.29	179.82
As at March 31, 2017	**-**	**8.67**	**2,943.24**	**495.72**	**59.09**	**25.11**	**23.83**	**195.44**	**77.67**	**3,828.77**
Add: Depreciation charge for the year	-	8.67	2,642.12	445.65	49.99	48.35	18.34	164.71	98.54	3,476.37
Less: On disposals / adjustments during the year	-	-	216.90	-	3.29	1.62	0.73	7.04	3.58	233.17
As at March 31, 2018	**-**	**17.34**	**5,368.45**	**941.37**	**105.78**	**71.84**	**41.45**	**353.11**	**172.62**	**7,071.98**

Research & Development

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross Block										
(At deemed cost)										
As at April 01, 2016	-	-	1,830.42	599.63	30.81	13.48	2.38	139.67	8.92	2,625.32
Add: Additions made during the year	-	-	91.99	-	0.70	10.10	0.42	-	-	103.20
Less: Disposals /adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	**-**	**-**	**1,922.41**	**599.63**	**31.51**	**23.58**	**2.80**	**139.67**	**8.92**	**2,728.52**
Add: Additions made during the year	-	-	131.45	-	2.85	6.50	6.76	-	9.08	156.64
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**2,053.86**	**599.63**	**34.36**	**30.08**	**9.56**	**139.67**	**18.01**	**2,885.16**

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Depreciation and impairment										
As at April 01, 2016	-	-	-	-	-	-	-	-		-
Add: Depreciation charge for the year	-	-	404.34	28.65	10.16	5.37	0.68	25.31	2.97	477.49
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	**-**	**-**	**404.34**	**28.65**	**10.16**	**5.37**	**0.68**	**25.31**	**2.97**	**477.49**
Add: Depreciation charge for the year	-	-	348.71	27.28	7.79	12.33	1.94	20.73	2.55	421.33
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**753.05**	**55.93**	**17.96**	**17.70**	**2.62**	**46.04**	**5.52**	**898.82**
Net book value										
As at March 31, 2018	**1,403.31**	**624.88**	**9,487.89**	**4,591.57**	**147.86**	**75.86**	**58.62**	**803.32**	**278.79**	**17,472.11**
As at March 31, 2017	**1,403.31**	**633.55**	**10,884.58**	**5,037.18**	**170.66**	**68.53**	**58.65**	**956.04**	**338.66**	**19,551.16**
As at April 01, 2016	**1,403.31**	**753.22**	**13,543.45**	**5,552.53**	**195.55**	**59.11**	**74.27**	**1,191.41**	**250.61**	**23,023.46**

Notes:

1. The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the Company has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Company separately as follows :

Other than Research and Development

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount as at April 1, 2016	1,410.09	837.46	27,830.56	9,113.16	661.04	424.80	332.56	2,799.91	1,240.32	44,649.91
Accumulated depreciation as at April 1, 2016	6.78	84.24	16,117.53	4,160.26	496.30	379.17	260.67	1,748.17	998.63	24,251.76
Net carrying amount as at April 1, 2016	1,403.31	753.22	11,713.03	4,952.90	164.74	45.63	71.89	1,051.74	241.69	20,398.15

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount as at April 1, 2016	-	-	2,998.66	721.15	84.87	110.68	6.26	194.35	45.09	4,161.06
Accumulated depreciation as at April 1, 2016	-	-	1,168.24	121.52	54.06	97.20	3.87	54.68	36.16	1,535.74
Net carrying amount as at April 1, 2016	-	-	1,830.42	599.63	30.81	13.48	2.38	139.67	8.92	2,625.32

2. Details of assets charged to Banks:

i) 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 from ECB loan from Citibank N.A.

ii) 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 ECB loan from CTBC Bank.

iii) Equitable mortgage of leasehold land and building, situated at Plot No.4, Sector 31, Greater Noida Industrial Development Area, U.P. and hypothecation of movable assets including plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital lenders.

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Building	-	58.47	237.59
Plant & Machinery	36.28	12.78	54.32
Electrical Fittings	-	-	93.96
	36.28	**71.25**	**385.87**

Notes:

1. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its capital work in progress recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the capital work in progress.

Note 6 : Other Intangible assets	Software Development	Technical Knowhow & Guidance	Total
Gross Block			
(At deemed cost)			
As at April 01, 2016	10.01	1,179.31	1,189.32
Add: Additions made during the year	2.14	-	2.14
Less: Disposals /adjustments during the year	-	-	-
As at March 31, 2017	**12.15**	**1,179.31**	**1,191.46**
Add: Additions made during the year	31.38	-	31.38
Less: Disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	**43.53**	**1,179.20**	**1,222.73**
Amortisation and impairment			
As at April 01, 2016	-	-	-
Add: Amortisation for the year	7.22	441.98	449.19
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2017	**7.22**	**441.98**	**449.19**
Add: Amortisation for the year	9.70	421.49	431.19
Less: On disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	16.92	863.36	880.27
Research & Development			
Gross Block (At deemed cost)			
Research & Development			
As at April 01, 2016	29.40	22.54	51.94
Add: Additions made during the year	114.27	-	114.27
Less: Disposals /adjustments during the year	-	-	-
As at March 31, 2017	**143.67**	**22.54**	**166.21**
Add: Additions made during the year	24.45	-	24.45
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2018	**168.12**	**22.54**	**190.66**
Amortisation and impairment			
As at April 01, 2016	-	-	-
Add: Amortisation for the year	22.63	21.48	44.11
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2017	**22.63**	**21.48**	**44.11**
Add: Amortisation for the year	47.94	1.06	48.99
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	70.57	22.54	93.10

Net book value			
As at March 31, 2018	**124.16**	**315.84**	**440.00**
As at March 31, 2017	**125.97**	**738.39**	**864.36**
As at April 01, 2016	**39.41**	**1,201.85**	**1,241.26**

Notes:

1. The Company has availed the exemption available under Ind AS 101, whereas the carrying value of Intangible assets has been carried forwarded at the amount as determined under the previous GAAP. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the Company has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Company separately as follows :

Intangible Assets	Software Development	Technical Knowhow & Guidance	Total
Gross carrying amount as at April 1, 2016	163.74	5,483.05	5,646.79
Accumulated amortization as at April 1, 2016	153.73	4,303.74	4,457.47
Net carrying amount as at April 1, 2016	10.01	1,179.31	1,189.32

Reasearch & Development

Intangible Assets	Software Development	Technical Knowhow & Guidance	Total
Gross carrying amount as at April 1, 2016	322.19	128.88	451.07
Accumulated amortization as at April 1, 2016	292.79	106.35	399.13
Net carrying amount as at April 1, 2016	29.40	22.54	51.94

Note 7 : Investments	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
NON-CURRENT			
Investments measured at cost			
In equity shares of Associates			
Quoted, fully paid up			
9,000,000 (March 31, 2017: 9,000,000 and April 01, 2016: 9,000,000) Equity Shares (including 4,500,000 (March 31, 2017: 4,500,000 and April 01, 2016: 4,500,000) bonus shares) of ₹ 2/- each of Bharat Seats Ltd	90.00	90.00	90.00
Unquoted, fully paid up			
490,000 (March 31, 2017: 490,000 and April 01, 2016: 490,000) Equity shares of ₹ 10 each of Relan Industrial Finance Ltd.	49.00	49.00	49.00
In equity shares of Joint Ventures			
Unquoted, fully paid up			
5,000 (March 31, 2017: 5,000 and April 01, 2016: 5,000) Equity shares of ₹ 10 each of Toyota Boshoku Relan India Pvt. Ltd.	0.50	0.50	0.50
750,000 (March 31, 2017: 750,000 and April 01, 2016: 750,000) Equity shares of ₹ 10 each of Toyo Sharda India Pvt. Ltd.	75.00	75.00	75.00
In equity shares of Other			
Unquoted, fully paid up			
17,500 (March 31, 2017: 5700 and April 01, 2016: Nil) Equity shares of ₹ 10 each of Windage Power Company Private Limited	1.75	0.57	-

Note: The Company has availed the exemption available under Ind AS 101,whereas on the date on transition as on April 01, 2016, the carrying value of investments has been carried forwarded at the amount as determined under the previous GAAP.

Information about Associates & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Associates			
Bharat Seats Ltd, India, Manufacturing of Seating System	28.66	28.66	28.66
Relan Industrial Finance Ltd., India, Service provider of investments	47.12	47.12	47.12
Joint Ventures			
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00	50.00
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00	50.00

Investments measured at fair value through profit or loss

In Trust- (Unquoted)	-	-	1.01
Total (A)	**216.25**	**215.07**	**215.51**
Aggregate value of unquoted investments	126.25	125.07	125.51
Aggregate value of quoted investments	90.00	90.00	90.00
Market value of quoted investments	15,444.00	6,430.50	3,240.00

CURRENT

Investment measured at fair value through profit or loss

Investment In Mutual Fund (Unquoted)			
- Nil (March 31,2017: Nil and April 01, 2016 : 4,042.97) units of UTI -Liquid Cash Plan - Institutional Growth	-	-	100.02
- Nil (March 31,2017: Nil and April 01, 2016: 21,726.73) units of Reliance Liquid Fund - Treasury Plan -Growth Option	-	-	800.17
- Nil (March 31,2017: Nil and April 01, 2016: 49,971.94) units of Reliance Liquid Fund - Cash Plan - Growth Option	-	-	1,196.20
- Nil (March 31,2017: Nil and April 01, 2016: 33,713.33) units of SBI Premier Liquid Fund - Regular Plan - Growth	-	-	801.59
- 6,999,407.76 (March 31,2017: 6,217,272.97 and April 01, 2016: Nil) units of Reliance Short Term Fund (Growth)	2,284.30	1,915.97	-
- 3,776,031.01 (March 31,2017: 3,776,031.01 and April 01, 2016 : Nil) units of ICICI Prudential Short Term plan Regular (Growth)	1,366.74	1,288.46	-
- Nil (March 31,2017: 1,005,112.67 and April 01, 2016 : Nil) units of BSL-Dynamic Bond Fund-Retail- Regular Growth Plan	-	291.83	-
	-		-
- 408,105.3 (March 31,2017: 408,105.3 and April 01, 2016 : Nil) units of Birla Sunlife Short Term Fund (Growth)	271.03	254.13	-
- Nil (March 31,2017: 6,544,040.06 and April 01, 2016 : Nil) units of SBI Short Term Debt Fund- Regular Plan-Growth	-	1,236.88	-
- Nil (March 31,2017: 726,030.12 and April 01, 2016 : Nil) units of SBI Magnum Balanced Fund-Reg Growth	-	792.50	-
- Nil (March 31,2017: 4,092,500.10 and April 01, 2016 : Nil) units of Kotak Bond - Short Term Plan - Regular Plan (Growth)	-	1,257.87	-

- Nil (March 31,2017: 1,649,027.57 and April 01, 2016 : Nil) units of Tata Short Term Bond Fund - Regular Plan (Growth)	-	504.08	-
- 223,015.17 (March 31,2017: 223,015.17 and April 01, 2016 : Nil) units of ICICI Pru Balanced Reg Plan (Growth)	278.52	254.82	-
- 582,328.09 (March 31,2017: Nil and April 01, 2016 : Nil) unit of Reliance - Medium Term Fund (G)	212.09	-	-
- 9,447,048.91 (March 31,2017: Nil and April 01, 2016 : Nil) units of Reliance Arbitrage Advantage Fund (MD)	999.36	-	-
- 7,519,834.30 (March 31,2017: Nil and April 01, 2016 : Nil) units of SBI Arbitrage Opportunities Fund (D)	1,002.36	-	-
- 7,986,431.54 (March 31,2017: Nil and April 01, 2016 : Nil) units of ICICI Prudential Equity-Arbitrage Fund - Retail Plan (D)	1,089.27	-	-
- 3,672,422.63 (March 31,2017: Nil and April 01, 2016 : Nil) units of HDFC Arbitrage Fund - Wholesale Plan (MD)	399.67	-	-
- 3,536,060.64 (March 31,2017: Nil and April 01, 2016 : Nil) units of ICICI Prudential Equity Income Fund - Regular Plan (MD)	393.21	-	-
- 13,178,805.39 (March 31,2017: Nil and April 01, 2016 : Nil) units of Kotak Equity Savings Fund - Regular Plan (MD)	1,469.09	-	-
- 2,084,463.32 (March 31,2017: Nil and April 01, 2016 : Nil) units SBI Equity Savings Fund - Regular Plan-Growth	258.50	-	-
- 3,451,191.52 (March 31,2017: Nil and April 01, 2016 : Nil) units of Reliance equity Savings fund- Monthly Dividend	382.94	-	-
Total (B)	**10,407.08**	**7,796.54**	**2,897.98**
Total (A+B)	**10,623.33**	**8,011.61**	**3,113.49**

Note 8 : Other financial assets (Unsecured and considered good, unless otherwise stated)	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non- current			
Security Deposits (Refer to note 'a' below)	279.70	220.33	193.36
Interest accrued	-	0.05	-
Deposits with original maturity of more than 12 months (Refer to note 'b' below)	5.00	5.00	5.00
Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	-	269.50
Total (A)	**284.70**	**225.38**	**467.86**
Current			
Staff Advance	25.72	10.57	18.66
Interest accrued on fixed deposits	125.36	146.62	114.90
Interest accrued others	0.57	2.73	-
Receivable from related parties	8.62	8.62	8.62
Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	111.36	-
Receivable on sale of investment	-	951.38	-
Total (B)	**160.27**	**1,231.28**	**142.18**
Total (A+B)	**444.97**	**1,456.66**	**610.04**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) Margin Money Deposit is pledged with Canara bank amounting to ₹ Nil (March 31, 2017: Nil; April 01, 2016: ₹ 5.00 Lakhs)

Note 9 : Non-current tax asset	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Advance Income Tax	50.06	86.13	379.18
(Net of provision of ₹ 7,759.83 (March 31, 2017 : ₹ 3,315.48 Lakhs, April 01, 2016: ₹ 2,886.05 Lakhs)			
	50.06	**86.13**	**379.18**

Note 10 : Other assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- Current			
Capital Advances(refer note below)	870.88	496.28	726.04
Deferred Payment Asset	1.30	2.03	2.75
Prepaid Expenses	-	-	21.88
Total (A)	**872.18**	**498.31**	**750.67**
Current			
Balance with Government Authorities	67.03	341.65	475.96
Advances to Suppliers	305.86	68.46	131.92
Deferred Payment Asset	0.72	0.72	0.72
Prepaid Expenses	130.99	213.28	196.99
Other Receivable	43.51	1.84	212.06
Total (B)	**548.11**	**625.95**	**1,017.65**
Total (A+B)	**1,420.29**	**1,124.26**	**1,768.32**

Note: Details of Capital commitment is as follows:

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of advance of ₹ 870.88 Lakhs (March 31, 2017: ₹ 496.28 lakhs; April 01, 2016: ₹ 726.04 lakhs)	1,127.68	513.67	481.55
	1,127.68	513.67	481.55

Note 11: Inventories (Lower of cost or net realizable value)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Raw Materials	6,242.65	5,413.38	5,983.44
Raw Materials - In Transit	328.57	141.72	125.86
Work In Progress	1,782.28	1,536.53	1,743.87
Finished Goods	-	13.91	2.59
Traded Goods	-	0.84	-
Consumable Stores and Spares	208.54	77.31	418.02
Others	-	-	0.39
	8,562.04	**7,183.69**	**8,274.17**

Note:

1. The mode of valuation of inventories has been stated in note 3.8.
2. Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 12 : Trade receivables	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered Good	12,240.73	10,806.98	10,012.73
Unsecured, Considered Doubtful	2.51	-	-
	12,243.24	10,806.98	10,012.73
Less: Allowance for bad and doubtful debts	2.51	-	-
	12,240.73	**10,806.98**	**10,012.73**

a) Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

b) The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 40.

c) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 13 : Cash and cash equivalents	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- on current account	900.28	226.97	50.97
- deposits with original maturity of less than 3 months	1,300.00	250.00	200.00
Cash on hand:			
- Domestic Currency	0.45	0.80	0.82
- Foreign Currency	-	104.59	-
	2,200.73	**582.36**	**251.79**

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 14 : Bank balances other than cash and cash equivalents	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Unpaid dividend account	41.96	45.63	45.91
Deposits with original maturity of more than 3 months but less than 12 months	1,928.21	5,358.20	3,401.01
Deposits with original maturity of more than 12 months	3,200.00	-	-
	5,170.17	**5,403.83**	**3,446.92**

Note 15 : Equity Share Capital	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised Share Capital			
50,000,000* (March 31, 2017: 50,000,000, April 01, 2016 : 50,000,000) equity shares of ₹ 10 each	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid up			
5,946,326* (March 31, 2017: 5,946,326, April 01, 2016 : 5,946,326) equity shares of ₹ 10 each	594.63	594.63	594.63
	594.63	**594.63**	**594.63**

a) Reconciliation of share capital:

	No. of shares	Amount
Balance as at April 1, 2016	5,946,326	594.63
Issue/buy back during the year	-	-
Balance as at March 31, 2017	**5,946,326**	**594.63**
Issue/buy back during the year	-	-
Balance as at March 31, 2018	**5,946,326**	**594.63**

b) Terms/ rights attached to equity shares:

(i) 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 of ₹ 6.25 per share (March 31, 2017: ₹ 6.25 per share) is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. 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.

(ii) During the year, an interim dividend of ₹ 6.25 per share (March 31, 2017: ₹ 6.25 per share) has been recognized as distributions to equity shareholders.

*Note: Number of Shares are given in absolute numbers

c) Details of shareholders holding more than 5% shares in the Company

	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
Name of Party	**No. of shares**	**Holding %**	**No. of shares**	**Holding %**	**No. of shares**	**Holding %**
N.D. Relan	-	0.00%	-	0.00%	450,960	7.58%
Sharda Relan	-	0.00%	-	0.00%	697,520	11.73%
Ajay Relan	1,914,195	32.19%	1,933,858	32.52%	785,378	13.21%
Rohit Relan	428,818	7.21%	428,818	7.21%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	497,252	8.36%	496,260	8.35%
Aashim Relan	304,440	5.12%	300,900	5.06%	300,900	5.06%

Note: Number of Shares are given in absolute numbers

Note 16 : Other Equity	**Amount**
a) General Reserve	
Balance as at April 1, 2016	**21,025.68**
Movement during the year	-
Balance as at March 31, 2017	**21,025.68**
Movement during the year	-
Balance as at March 31, 2018	**21,025.68**

The general reserve is created from, time to time transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

b) Capital Reserve	
Balance as at April 1, 2016	**0.20**
Movement during the year	-
Balance as at March 31, 2017	**0.20**
Movement during the year	
Balance as at March 31, 2018	**0.20**
c) Retained Earnings	
Balance as at April 1, 2016	**2,135.11**
Add:- Profit for the year	5,675.47
Less: Dividend Paid	743.28
Less: Dividend Distribution Tax Paid	151.34
Less: Transfer to General Reserve	
Balance as at March 31, 2017	**6,915.96**
Add:- Profit for the year	7,861.02
Less: Dividend Paid	743.28
Less: Dividend Distribution Tax Paid	151.34
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	**13,882.36**

Notes:

1. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
2. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
3. For the year ended March 31, 2017, a dividend of ₹13.50 per share (total dividend of ₹ 743.28 lakhs) was paid to holders of fully paid equity shares.
4. For the year ended March 31, 2018, an interim dividend of ₹ 6.25 per share (total dividend of ₹ 371.64 lakhs) was paid to holders of fully paid equity shares. The directors propose dividend of ₹ 6.25 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all the holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 371.64 lakhs

d) Other comprehensive income-Remeasurement of defined benefit obligation

Balance as at April 1, 2016	**2.20**
Add:- Gain/(Loss) recognised during the year	(6.57)
Balance as at March 31, 2017	**(4.37)**
Add:- Gain/(Loss) recognised during the year	4.24
Balance as at March 31, 2018	**(0.13)**
Total Other Equity:	
As at April 01, 2016	**23,163.19**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	2,135.11
d) OCI-Remeasurement of defined benefit obligation	2.20
As at March 31, 2017	**27,937.47**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	6,915.96
d) OCI-Remeasurement of defined benefit obligation	(4.37)
As at March 31, 2018	**34,908.13**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	13,882.38
d) OCI-Remeasurement of defined benefit obligation	(0.13)

Note 17 : Borrowings	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non current			
Term loans from banks (Secured)			
- External Commercial Borrowing [refer note A(a) below]	-	-	1,859.46
From Related Parties (Unsecured)			
- Directors (refer note A (b) below)	-	1,118.42	-
Total (A)	**-**	**1,118.42**	**1,859.46**
Current			
From banks (Secured)			
- Cash credit (Refer Note A (c) below)		-	2,550.21
- Overdraft (Refer Note A (d) below)	-	817.79	1,500.00
From Related Parties (Unsecured)			
- Directors (refer note A (b) below)	-	1,986.62	4,397.54
Total (B)	**-**	**2,804.41**	**8,447.75**
Total (A+B)	**-**	**3,922.83**	**10,307.21**

A. Summary of borrowing arrangements

a) The External Commercial Borrowing consisted of two loans:

(i) First loan of US $ 20 lakhs was taken in August, 2012 and was repayable in 15 quarterly instalments of US$ 1.33 Lakhs each (₹ 86.45 Lakhs) commencing from 26.01.2014. The loan carried an interest rate of 8.45% p.a.

This loan was secured by way of 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.

(ii) Second loan of US$ 60 lakhs was taken in January, 2014 and was repayable in six half yearly instalments. The loan carried an interest rate of 7.75% p.a.

This loan was secured by way of 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 tenure of the facility.

b) Unsecured loans from directors:

Unsecured term loans from directors was repayable upon call by the lender at anytime by giving an advance notice in writing of atleast one year to the borrower. The loan carried a interest rate of 8.65% - 10.60% p.a. Unsecured short term loans from directors was repayable on demand. The loan was taken on an interest rate of 8.65 % - 8.95 % p.a.

c) Cash Credit

i) The Cash Credit facility has been secured by way of charge on inventories and book debts. There is an 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.

ii) The Cash Credit carries a rate of interest in the range of 8.8% -10.60% and is repayable on demand

d) Overdraft

Overdraft is secured against Fixed Deposits with bank carrying interest rate @ 8.15% p.a.

B. There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

Note 18 : Trade payables	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
- Outstanding dues to micro and small enterprises	-	-	-
- Outstanding dues to parties other than micro and small enterprises	18,291.78	16,401.75	12,552.03
	18,291.78	**16,401.75**	**12,552.03**

a) Trade payables are non-interest bearing and are normally settled on 90-day terms. The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 40.

(b) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2018 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951, is as given below :

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006

	As At March 31, 2018	**As At March 31, 2017**	**As At April 01, 2016**
- Principal amount due	-	-	-
- Interest accrued and due on above	-	-	-
	-	-	-
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil	Nil

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil	Nil
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil	Nil

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 19 : Other Financial Liabilities	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Current			
Current maturity of long term borrowing (refer note 17 A (a))	-	1,974.34	1,572.11
Interest accrued but not due on borrowings	-	46.63	101.24
Unpaid dividends (refer note (a) below)	41.96	45.63	45.91
Security deposit	37.05	41.28	41.73
Payables to capital creditors	437.28	312.98	492.02
Total (A+B)	**516.29**	**2,420.86**	**2,253.01**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act,2013 as at March 31, 2018, March 31, 2017 & April 1, 2016

Note 20 : Other Liabilities	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non- current			
Deferred Revenue	218.26	235.77	200.45
Total (A)	**218.26**	**235.77**	**200.45**
Current			
Advance from Customers	796.01	823.61	575.07
Deferred Revenue	168.66	270.49	233.13
Statutory dues	1,906.91	1,030.65	1,145.51
Others	59.91	12.27	-
Total (B)	**2,931.49**	**2,137.02**	**1,953.71**
Total (A+B)	**3,149.75**	**2,372.79**	**2,154.16**

Note 21 : Provisions	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non- current			
Provision for employee benefits			
Provision for Compensated Absences (refer note 35)	205.17	171.46	148.42
Total (A)	**205.17**	**171.46**	**148.42**
Current			
Provision for employee benefits			
Provision for Compensated Absences (refer note 35)	81.13	81.13	81.52
Provision for gratuity (refer note 35)	152.39	219.29	99.02
Total (B)	**233.52**	**300.42**	**180.54**
Total (A+B)	**438.69**	**471.88**	**328.96**

Note 21.1 Contingent Liabilities	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(a) Claims against the Company not acknowledged as debts			
i) Disputed State Tax Matters	69.94	65.90	0.90
ii) Disputed Excise Matters	12.74	12.71	5.44
iii) Disputed Service Tax Matters	50.63	8.09	11.07
iv) Disputed Income Tax Matters	84.86	164.31	102.33
v) Disputed Central Excise Matters	440.00	440.00	440.00
vi) Bill discounting	102.47	186.97	144.04
vii) Dispute with Vendor	10.55	10.55	4.80
viii) Others	33.00	13.69	
(b) Foreign Letter of Credit	3,253.15	1,265.00	1,272.09

Notes:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 22 : Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Product		
- Finished goods	113,040.92	115,792.74
- Traded Goods	6,744.71	6,146.91
	119,785.63	121,939.65
Sale of Service	29.16	2.10
Other Operating Revenues		
- Sale of scrap	611.09	552.41
- Design & development income	-	44.70
Revenue from operations	**120,425.88**	**122,538.86**

Note: Sale of goods includes excise duty collected from customers of ₹ 4881.31 Lakhs (March 31, 2017: ₹18,350.35 Lakhs).

According to the requirement of Ind-AS, revenue for the corresponding previous year ended March 31, 2017 was reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax (“GST”) from July 1, 2017 replacing Excise duty, Service Tax and various other Indirect Taxes. Accordingly, per IND AS-18, the revenue for the year ended March 31, 2018 is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company would have been as follows:

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Revenue from Operations inclusive of Excise Duty (A)	120,425.88	122,538.86
Less: Excise Duty (B)	4,881.31	18,350.35
Net Revenue from Operations (A-B)	**115,544.57**	**104,188.51**

Note 23 : Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
- Fixed deposits with banks	381.51	293.35
- Income tax refund	7.43	79.80
- Finance income	0.66	0.61
- Others	8.95	8.72
Dividend income from		
Non-current investment - trade	258.24	81.00
Profit on sale of current investments designated at FVTPL	346.06	164.42
Profit on sale of tools & assets (net)	352.18	233.02
Net Gain on Exchange fluctuation	146.37	14.33
Fair value gain on investment in mutual funds designated at FVTPL	193.69	269.58
Miscellaneous Income	85.21	240.95
	1,780.30	**1,385.78**

Note 24 : Cost of Raw Material Consumed	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material		
Balance at the beginning of the Year	5,413.38	6,401.84
Add:- Purchases during the year	73,955.17	65,353.27
Less:- Transferred to stores and spares and consumables	-	109.89
Less:- Balances of Raw Material at the end of the Year	6,242.65	5,413.38
Total Cost of Raw Material Consumption	**73,125.90**	**66,231.84**

Note 25 : Purchase of Stock in Trade	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of Stock in Trade	6,060.51	5,189.74
	6,060.51	**5,189.74**

Note 26 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year		
Finished goods	13.91	2.59
Work- in- progress	1,536.53	1,743.87
Traded goods	0.84	-
(A)	1,551.28	1,746.46
Inventories at the end of the year		
Finished goods	-	13.91
Work- in- progress	1,782.28	1,536.53
Traded goods	-	0.84
(B)	1,782.28	1,551.28
(Increase) / Decrease in Inventory (A-B)	(231.00)	195.18

Note 27 : Employee benefits expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages & other benefits	7,057.06	6,251.67
Contribution to provident and other funds	394.00	346.43
Gratuity (refer note 35)	141.19	110.50
Staff welfare expenses	610.97	574.18
	8,203.22	**7,282.78**

Note 28 : Finance cost	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	201.50	671.76
Interest on delayed payment of taxes	11.50	14.46
Net Exchange loss on Foreign currency borrowing to the extent considered as an adjustment to interest cost	-	40.29
Other Borrowing Costs	-	33.06
	213.00	**759.57**

Note 29 : Depreciation and amortization expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment	3,897.71	4,486.08
Amortization of intangible assets	480.18	493.30
	4,377.89	**4,979.38**

Note 30 : Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumable tools	259.14	240.98
Power & fuel	1,270.85	1,324.15
Hire labour charges	5,800.68	5,126.69
Manufacturing expenses	113.87	157.38
Rent, rates & taxes	305.06	334.50
Incremental effect of excise duty on finished goods	-	1.26
Repair & maintenance		
- Repair to building	162.80	90.32
- Repair to plant & equipments	323.22	398.80
- Repair others	273.28	236.93
Fair value losses on derivatives not designated as hedged	111.36	158.13
Royalty	1.70	17.27
Research & development expenses (refer details 'c' below)	1,441.08	986.33
Travelling & conveyance	917.85	778.95
Insurance	75.55	77.62
Communication cost	62.00	66.19
Director's sitting fee & commission	13.02	13.67
Legal & professional expenses	783.24	566.25
CSR expenses (refer details 'b' below)	10.30	15.00
Warranty claim	52.27	188.08
Property, Plant and Equipment written off	16.90	-
Selling expenses	7.03	14.07
Packing material	259.29	161.35
Freight outward	648.70	578.70
Auditor's remuneration (refer details 'a' below)	13.66	28.37
Miscellaneous expenses	919.05	745.90
Total	**13,841.90**	**12,306.89**

a) Details of payment made to auditors is as follows:

Payment to auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor:		
- Statutory audit fee	8.50	12.90
- Tax audit fee *	5.00	3.76
In Other Capacity:		
- CertificationFees	-	2.15
- Taxation matter	-	8.95
- Reimbursement of Expenses	0.16	0.61
	13.66	**28.37**

* Tax audit fee for the year ended March 31, 2018 has been provided for other auditor.

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) 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): ₹116.24 Lakhs (March 31, 2017: ₹ 64.54 lakhs)

ii) Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2018	For the year ended March 31, 2017
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	10.30	-
	Cash/ cheque payment to Hindu College	-	15.00
Amount yet to be spent		105.94	49.54
Total		**116.24**	**64.54**

iii) The Company does not carry any provisions for Corporate social responsibility expenses for year ended March 31, 2018 and previous year ended March 31, 2017.

c) **Research & Development Expenses**	For the year ended March 31, 2018	For the year ended March 31, 2017
Research & Development expenses include:		
- Purchases	67.18	25.98
- Salary, Wages and other allowance	567.07	450.83
- Travelling Expenses	106.96	81.78
- Design, Development and other expenses	699.87	427.74
	1,441.08	**986.33**

d) Company's R&D Center at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the year 2005-06 to 2017-18

Financial Year	Capital Expense	Revenue Expense
2007-08	-	189.59
2008-09	-	235.01
2009-10	28.5	127.62
2010-11	802.57	210.9
2011-12	787.84	351.17
2012-13	93.07	425.85
2013-14	2034.23	679.24
2014-15	79.63	656.03
2015-16	456.72	847.78
2016-17	217.47	986.33
2017-18	181.09	1441.08

Note 31: Exceptional Items	For the year ended March 31, 2018	For the year ended March 31, 2017
Pre- Operative Expenses Written Off	-	738.87
Diminution in value of asset held for sale	58.73	176.40
	58.73	**915.27**

Note:

(i) Relying on the judgment of Honourable Supreme Court of India in "Kedar Nath Yadav Vs. State of West Bengal & Ors." the Company had written off an amount of March 31, 2018:Nil (March 31, 2017:₹ 738.87) lakhs incurred in respect of setting up of Singur facility and disclosed the same under the head 'Exceptional item'.

(ii) Diminution in value of asset of ₹ 58.73 lakhs (March 31, 2017 ₹ 176.40 lakhs) has been recognized on reclassification of assets as held for sale as the fair value (estimated based on the recent market prices) is less than its carrying amount and had been disclosed the same under the head 'Exceptional item'.

Note 32: Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as below:

32.1 Income tax recognised in profit or loss

	As At March 31, 2018	As At March 31, 2017
Current tax		
a) In respect of current year	4,049.93	2,939.79
b) Adjustments in respect of current income tax of previous year	38.66	(262.36)
	4,088.59	2,677.43
Deferred tax		
In respect of current year	(274.89)	(639.26)
	(274.89)	(639.26)
Income tax expense recognised in the current year	**3,813.70**	**2,038.17**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As At March 31, 2018	As At March 31, 2017
Profit before tax	**11,674.72**	**7,713.64**
Tax at the Indian Tax Rate of 34.608% (March 31, 2017: 34.608%)	4,040.39	2,669.53
Adjustments in respect of current income tax of previous years	38.66	(262.36)
Effect of expenses that are not deductible in determining taxable profit	17.57	8.84
Weighted deduction for research and development expenses	(294.16)	(420.94)
Income not considered for tax purpose	(89.37)	(28.03)
Exceptional item not considered for tax purpose	20.31	61.05
Others	80.30	10.08
Tax expenses recognised in statement of profit or loss	3,813.70	2,038.17

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.608% (March 31, 2017: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

32.2 Income tax recognised in other comprehensive income

	As At March 31, 2018	As At March 31, 2017
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(2.24)	3.48
Total tax recognised in other comprehensive income	**(2.24)**	**3.48**
Bifurcation of the income tax recognised in other comprehensive income into : -		
- Items that will not be reclassified to profit or loss	(2.24)	3.48
- Items that may be reclassified to profit or loss	-	-
	(2.24)	**3.48**

Note 33: Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deferred tax assets	100.01	309.16	836.68
Deferred tax liabilities	881.03	1,348.23	1,990.72
Net deferred tax liabilities	**781.02**	**1,039.07**	**1,154.04**

	As At April 1, 2016	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2017
Deferred tax assets				
Defined benefit obligation	-	-	3.48	3.48
Expenses deductible in future years	294.31	(3.27)	-	291.04
Deferred revenue	-	-	-	-
Others	-	0.04	-	0.04
MAT credit entitlement	542.37	(527.77)	-	14.60
Total deferred tax assets	**836.68**	**(531.00)**	**3.48**	**309.16**
Deferred tax liabilities				
Investment in mutual funds at FVTPL	1.45	91.85	-	93.30
Fair value losses on derivatives not designated as hedged	93.27	(54.73)	-	38.54
Borrowing at effective interest rate	16.30	(11.44)	-	4.86
Warranty claim	-	-	-	-
Property, plant and equipment and Intangible assets	1,879.70	(668.17)	-	1,211.53
Total deferred tax liabilities	**1,990.72**	**(642.49)**	**-**	**1,348.23**
Net deferred tax liabilities	**1,154.04**	**(111.48)**	**(3.48)**	**1,039.07**

	As At April 1, 2017	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2018
Deferred tax assets				
Defined benefit obligation	3.48	-	(2.24)	1.24
Expenses deductible in future years	291.04	(193.20)	-	97.84
Others	0.04	0.89	-	0.93
MAT credit entitlement	14.60	(14.60)	-	0.00
Total deferred tax assets	**309.16**	**(206.91)**	**(2.24)**	**100.01**
Deferred tax liabilities				
Investment in mutual funds at FVTPL	93.30	47.58	-	140.88
Fair value losses on derivatives not designated as hedged	38.54	(38.54)	-	-
Borrowing at effective interest rate	4.86	(4.86)	-	-
Property, plant and equipment and Intangible assets	1,211.53	(471.38)	-	740.15
Total deferred tax liabilities	**1,348.23**	**(467.20)**	**-**	**881.03**
Net deferred tax liabilities	**1,039.07**	**(260.29)**	**2.24**	**781.02**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 34 : Earnings per share (EPS)	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	7,861.02	5,675.47
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) **(B)**	**59.46**	**59.46**
Basic earnings per share (in ₹) - (A/B)	132.20	95.45
Diluted earnings per share (in ₹) - (A/B)	132.20	95.45

Note 35 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund/ Pension Fund	333.39	300.04
Employer's Contribution to Employee State Insurance	59.76	45.41
Employer's Contribution to Employee Welfare Fund	0.85	0.98
Total	**394.00**	**346.43**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" 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.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. 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 services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

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

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity	Earned leave	Gratuity	Earned leave	Gratuity	Earned leave
	(funded)	(Unfunded)	(funded)	(Unfunded)	(funded)	(Unfunded)
Present value of obligation as at the beginning of the year	880.43	252.59	732.56	229.94	605.30	178.83
Acquisition Adjustment						
Add: Interest cost	61.63	17.68	56.41	17.71	47.21	13.95
Add: Current service cost	113.73	51.50	102.88	47.27	93.24	68.78
Add: Past Service cost	26.51	-	-	23.98	-	-
Less: Benefits paid	(30.65)	(25.78)	(24.22)	(34.37)	(15.77)	(9.77)
Add: Actuarial (gain) / loss						
- Demographic assumptions	-	-	-	-	-	-
- Financial assumptions	(22.61)	(3.35)	25.83	27.88	3.12	0.54
- Experience adjustments	26.48	(6.34)	(13.03)	(59.82)	(0.54)	(22.39)
Present value of obligation as at the end of the year	**1,055.52**	**286.30**	**880.43**	**252.59**	**732.56**	**229.94**

d) Components of expenses recognised in the statement of profit or loss in respect of:

	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Earned leave	Gratuity	Earned leave
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
Current service cost	113.73	51.50	102.88	47.27
Past service cost	26.51	-	-	23.98
Interest cost	15.35	17.68	7.62	17.71
Remeasurements	-	(9.68)	-	(31.93)
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Expenses recognised in profit/loss (Refer Note Below)	**155.59**	**59.50**	**110.50**	**57.03**

Note : Gratuity expense of ₹ 141.19 lakhs has been recognised in Statement of Profit & Loss and ₹ 14.40 Lakhs in R&D expenditure

e) Components of expenses recognised in the other comprehensive income in respect of:

	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Earned leave	Gratuity	Earned leave
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
Actuarial (gains) / losses				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	(22.61)	(3.35)	25.83	27.88
- experience variance	26.48	(6.34)	(13.03)	(59.82)
Return on plan assets, excluding amount recognised in net interest expense	(10.35)	-	(2.75)	-
Component of defined benefit costs recognised in other comprehensive income	**(6.48)**	**(9.68)**	**10.05**	**(31.93)**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

f) Changes in the fair value of the plan assets are as follows:

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	661.14	-	633.53	-	478.01	-
Add: Investment income	46.28	-	48.78	-	37.28	-
Add: Expected return on plan assets	10.35	-	2.75	-	5.93	-
Add: Employer's Contribution	216.01	-	0.29	-	128.08	-
Add: Employee's Contribution	-	-	-	-	-	-
Less: Benefits paid	(30.65)	-	(24.22)	-	(15.77)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-	-	-
Fair value of plan assets at the end	**903.13**	**-**	**661.14**	**-**	**633.53**	**-**

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions						
1 Discount rate	7.50%	7.50%	7.00%	7.00%	7.70%	7.70%
2 Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Demographic assumptions						
1 Expected average remaining working lives of employees (years)	23.78	23.78	24.28	24.22	26.7	26.63
2 Retirement Age (years)	58	58	58	58	58	58
3 Mortality Rate	**Indian Assured Lives Mortality (2006-08) (modified) ultimate**		**Indian Assured Lives Mortality (2006-08) (modified) ultimate**		**Indian Assured Lives Mortality (2006-08) (modified) ultimate**	
Withdrawal Rate						
1 Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
2 Ages from 30-44	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
3 Above 44 years	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	1,055.52	286.30	880.43	252.59	732.56	229.94
Fair value of plan assets	903.13	-	661.14	-	633.53	-
Net (assets) / liability	**152.39**	**286.30**	**219.29**	**252.59**	**99.02**	**229.94**
Classification into long term and short term:						
- Classified as long term	-	205.17	-	171.46	-	148.42
- Classified as short term	152.39	81.13	219.29	81.13	99.02	81.52
Total	**152.39**	**286.30**	**219.29**	**252.59**	**99.02**	**229.94**

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
A. Discount rate						
Effect on defined benefit obligation due to 1% increase in Discount Rate	(42.40)	(6.40)	(36.43)	(6.17)	(29.99)	(5.33)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	46.23	6.79	39.79	6.55	32.74	5.66
B. Salary escalation rate						
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	43.24	6.57	34.68	6.31	29.59	5.48
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(40.68)	(6.32)	(33.40)	(6.06)	(28.31)	(5.27)
C. Mortality rate						
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-	-	-

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
1 year	202.99	115.59	155.71	81.13	134.5	81.52
2 to 5 years	492.51	128.98	415.75	132.04	344.6	115.18
More than 5 years	360.02	41.73	308.97	39.42	253.5	33.24

k) Enterprise best estimate of contribution during next year is ₹ 127.85 lakhs.

Note 36 : Related party transactions

a) List of related parties:

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 Ventures
a) Mr. Kishan N Parikh (Chairman) b) Mr.Narinder Dev Relan (Co-Chairman)(upto June 02, 2016) c) Mrs.Sharda Relan (Whole Time Director)(w.e.f. August 10, 2016) d) Mr.Ajay Relan (Managing Director) e) Mr. Bireswar Mitra (Executive Director) f) Mr. Ram Prakash Chowdhary (Director) g) Mr. Ashok Kumar Bhattacharya (Director) h) Mr. Satindar Kumar Lambah (Director) i) Mr. Pradeep Rastogi (President - Legal & CFO)(upto August 10, 2016) j) Mr. Vivek Bhatia (CFO) (w.e.f. August 10, 2016) k) Mr. Nitin Vishnoi (Company Secretary)	Key Managerial Personnel

Name of the Related Party	Relationship
a) Mr.Rohit Relan (Son of Whole Time Director) b) Mrs.Sharda Relan (Wife of Co-Chairman)(upto August 10, 2016) c) Mrs.Mala Relan (Wife of Managing Director) d) Mrs.Ritu Relan (Daughter-in-law of Whole Time Director) e) Ms Aashita Relan (Daughter of Managing Director) f) Mr.Aashim Relan (Son of Managing Director) g) Mr.Rishabh Relan (Grand son of Whole Time Director) h) Mr.Pranav Relan (Grand son of Whole Time Director) i) Mr.Ayush Relan (Grand son of Whole Time Director)	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. h) Sharda CSR Foundation Trust	Enterprises over which Key Managerial Personnel are able to Exercise Significant Influence

(Currency: ₹ in Lakhs except otherwise stated)

S. No.	Nature of Transactions	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.	37,921.50	-	-	-
		(36,644.77)	(-)	(-)	(-)
ii)	**Loans taken during the year**				
	- N.D. Relan	-	-	-	-
		(-)	(-)	(0.25)	(-)
	- Ajay Relan	-	-	-	-
		(-)	(-)	(100.00)	(-)
	- Sharda Relan	-	-	-	-
		(-)	(-)	(50.00)	(-)
iii)	**Loan repaid during the Year**				
	- N.D. Relan	-	-	-	-
		(-)	(-)	(25.78)	(-)
	- Ajay Relan	-	-	1,084.72	-
		(-)	(-)	(1,108.33)	(-)
	- Rohit Relan	-	-	-	1,986.62
		(-)	(-)	(-)	(268.20)
	- Sharda Relan	-	-	33.70	-
		(-)	(-)	(40.45)	(-)
iv)	**Interest paid on loans during the Year**				
	- N.D. Relan	-	-	-	-
		(-)	(-)	(0.43)	(-)
	- Ajay Relan	-	-	71.19	-
		(-)	(-)	(174.06)	(-)
	- Rohit Relan	-	-	-	22.13
		(-)	(-)	(-)	(200.24)
	- Sharda Relan	-	-	1.30	-
		(-)	(-)	(3.54)	(-)

v)	**Rent paid during the Year**				
	-Sharda Auto Solutions Pvt. Ltd.	-	-	-	-
		(-)	(11.70)	(-)	(-)
	-Sharda Relan	-	-	-	-
		(-)	(-)	(57.45)	(-)
	-Sharda Enterprises	-	154.77	-	-
		(-)	(151.69)	(-)	(-)
vi)	**Remuneration paid**				
	- N.D. Relan	-	-	-	-
		(-)	(-)	(62.40)	(-)
	- Ajay Relan	-	-	506.05	-
		(-)	(-)	(396.73)	(-)
	-Sharda Relan	-	-	463.60	-
		(-)	(-)	(256.66)	(-)
	-B. Mitra	-	-	21.76	-
		(-)	(-)	(18.20)	(-)
vii)	**Salary Paid**				
	-Pradeep Rastogi	-	-	-	-
		(-)	(-)	(11.00)	(-)
	-Nitin Vishnoi	-	-	17.89	-
		(-)	(-)	(17.15)	(-)
	-Mala Relan	-	-	-	13.61
		(-)	(-)	(-)	(13.61)
	-Vivek Bhatia	-	-	100.48	-
		(-)	(-)	(59.70)	(-)
	-Aashim Relan	-	-	-	128.60
		(-)	(-)	(-)	(48.93)
viii)	**Reimbursements of Expenses**				
	-Bireswar Mitra	-	-	4.69	-
		(-)	(-)	(4.53)	(-)
	-Nitin Vishnoi	-	-	6.88	-
		(-)	(-)	(6.70)	(-)
	-Vivek Bhatia	-	-	7.27	-
		(-)	(-)	(5.11)	(-)
ix)	**Dividend Paid**				
	- Ajay Relan	-	-	240.50	-
		(-)	(-)	(241.73)	(-)
	- Nitin Vishnoi	-	-	0.13	-
		(-)	(-)	(0.13)	(-)
	-Bireswar Mitra	-	-	0.07	-
		(-)	(-)	(0.06)	(-)
	-Rohit Relan	-	-	-	53.60
		(-)	(-)	(-)	(53.60)
	-Aashim Relan	-	-	-	37.66
		(-)	(-)	(-)	(37.61)
	-Ayush Relan	-	-	-	10.78
		(-)	(-)	(-)	(13.00)
	-Pranav Relan	-	-	-	13.83
		(-)	(-)	(-)	(16.12)
	-Rishabh Relan	-	-	-	17.50
		(-)	(-)	(-)	(19.81)

	-Mala Relan	-	-	-	63.39
		(-)	(-)	(-)	(62.09)
	-Ritu Relan	-	-	-	92.82
		(-)	(-)	(-)	(92.82)
	-Aashita Relan	-	-	-	2.06
		(-)	(-)	(-)	(1.37)
	-Ajay Relan(HUF)	-	2.40	-	-
		(-)	(2.40)	(-)	(-)
	-ND Relan (HUF)	-	3.75	-	-
		(-)	(3.75)	(-)	(-)
	-Rohit Relan (HUF)	-	5.55	-	-
		(-)	(5.55)	(-)	(-)
	-RIFL	0.01	-	-	-
		(0.07)	(-)	(-)	(-)
x)	**Sitting Fees Paid**				
	- Kishan N Parikh	-	-	-	3.60
		(-)	(-)	(-)	(3.40)
	-Sharda Relan	-	-	-	-
		(-)	(-)	(-)	(0.80)
	-Rohit Relan	-	-	-	0.80
		(-)	(-)	(-)	(0.40)
	-Ram Prakash Chowdhary	-	-	-	2.60
		(-)	(-)	(-)	(2.40)
	-Ashok Kumar Bhattacharya	-	-	-	1.60
		(-)	(-)	(-)	(2.40)
	-Satinder Kumar Lambah	-	-	-	4.41
		(-)	(-)	(-)	(4.20)
xi)	**Sale of Fixed Assets**				
	-Bharat Seats Limited	185.44	-	-	-
		(169.27)	(-)	(-)	(-)
xii)	**CSR Expenditure paid**				
	-Sharda CSR Foundation Trust	-	10.30	-	-
		(-)	(-)	(-)	(-)
xiii)	**Expenses paid**				
	- A.N.I Hospitality LLP	-	0.73	-	-
		(-)	(1.28)	(-)	(-)
	-Toyota Boshoku Relan India (P) Ltd.	-	-	-	-
		(57.50)	(-)	(-)	(-)
xiv)	**Advance Received from Customers**				
	-Bharat Seats Limited (Tooling Advance)	-	-	-	-
		(228.62)	(-)	(-)	(-)
xv)	**Purchases during the year**				
	-Toyo Sharda India (P) Ltd.	545.35	-	-	-
		(527.13)	(-)	(-)	(-)
	-Bharat Seats Limited	259.39	-	-	-
		(-)	(-)	(-)	(-)
xvi)	**Advance Adjusted**				
	-Bharat Seats Limited	-	-	-	-
		(219.85)	(-)	(-)	(-)

xvii)	**Dividend Received**				
	-Bharat Seats Limited	81.00	-	-	-
		(81.00)	(-)	(-)	(-)
xviii)	**Net Outstanding Balance payable as on 31.03.2018**				
	-ND Relan	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	*(93.51)*	(-)
	- Ajay Relan	-	-	161.16	-
		(-)	(-)	(1,091.96)	(-)
		(-)	(-)	*(2,153.17)*	(-)
	-B.Mitra	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(1.11)	(-)
	-Pradeep Rastogi	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	*(1.58)*	(-)
	-Nitin Vishnoi	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	*(0.96)*	(-)
	-Rohit Relan	-	-	-	-
		(-)	(-)	(-)	(1,999.76)
		(-)	(-)	(-)	*(2,272.87)*
	-Sharda Relan	-	-	128.93	-
		(-)	(-)	(33.91)	(-)
		(-)	(-)	*(29.56)*	(-)
	-Mala Relan	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(-)	(0.61)
	-Aashim Relan	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(-)	(1.08)
xix)	**Balance Receivable as on 31.03.2018**				
	-Bharat Seats Limited	3,074.01	-	-	-
		(3,312.76)	(-)	(-)	(-)
		(3,918.70)	(-)	(-)	(-)
xx)	**Balance Payable as on 31.03.2018**				
	-Toyota Boshoku Relan India (P) Ltd.	98.85	-	-	-
		(98.85)	(-)	(-)	(-)
		(46.49)	(-)	(-)	(-)
	-Toyo Sharda India (P) Ltd.	46.05	-	-	-
		(75.48)	(-)	(-)	(-)
		(43.24)	(-)	(-)	(-)

Notes:

1) Figures in bracket represents figures of 31st March, 2017 and figures in Italics & Brackets represents figures of April 1, 2016.

2) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 37: Operating Lease Arrangements

The Company has entered into operating lease arrangements for various lands and building. These arrangements are non-cancellable in nature and range between five to twenty years. Lease rental amounting to ₹ 304.34 lakhs (March 31, 2017: ₹ 275.31 lakhs) has been expensed out in Statement of Profit and Loss in note 30 as 'Rent, Rates & Taxes' under 'Other expenses'. The future minimum lease commitments under non-cancellable operating leases are as under:

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Not Later Than 1 year	129.00	174.82	242.67
Later than 1 year but not later than 5 years	337.00	346.02	551.06
More than 5 years	237.86	355.95	393.75
Total	**703.85**	**876.79**	**1,187.48**

(Currency : ₹ in Lakhs except otherwise specified)

Note 38: Financial and Derivative Instruments	No of Contracts	As At March 31, 2018	No of Contracts	As At March 31, 2017	No of Contracts	As At April 1, 2016
Foreign currency exposure hedged by derivative instruments	-	-	2	1,988.38	2	3,478.66
Foreign currency exposure that are not hedged by derivative instruments (Sell)	-	1,032.76	-	1,289.01	-	714.95
Foreign currency exposure that are not hedged by derivative instruments (Buy)	-	1,675.42	-	1,594.09	-	1,316.52

i. Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
Foreign Currency Exposure not hedged (Sell)	USD 15.88 lakhs	1,032.76	USD 18.17 lakhs	1,185.44	USD 10.77 lakhs	714.95
	-		EURO 0.75 lakhs	52.26	-	-
	-		GBP 0.18 lakhs	14.95	-	-
	-		AED 2.06 lakhs	36.36	-	-
		1,032.76		1,289.01		714.95
Foreign Currency Exposure not hedged (Buy)	USD 25.68 lakhs	1,670.05	USD 24.51 lakhs	1,589.46	USD 19.85 lakhs	1,316.52
	EURO 0.06 lakhs	5.22	EURO 0.06 lakhs	4.48	-	-
	JPY 0.25 lakhs	0.15	JPY 0.25 lakhs	0.15	-	-
		1,675.42		1,594.09		1,316.52

ii. Particulars of hedged Foreign Currency Exposure as at Balance Sheet date :	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
- CTBC ECB Loan US$ 60 lakhs	-	-	USD 28.00 lakhs	1,815.48	USD 48.00 lakhs	2,988.00
- CITI Bank ECB Loan US$ 20 lakhs	-	-	USD 2.67 lakhs	172.90	USD 8.00 lakhs	490.66
		-		1,988.38		3,478.66

Note 39 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.

2. Major Customer: Revenue from 3 customers of the Company's manufacturing & trading business are ₹ 92,878.58 lakhs (March 31, 2017 ₹ 91,395.60 lakhs) which is more than 10 percent of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2018 and March 31, 2017.

Note 40 : Financial instruments - fair values and risk management

40.1 Financial instruments by category and fair values

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Non-current									
Investments in equity instrument *	-	-	1.75	-	-	0.57	-	-	-
Investment in others	-	-	-	-	-	-	1.01	-	-
Other financial assets									
- Security deposits	-	-	279.70	-	-	220.33	-	-	193.36
- Deposits with original maturity of more than 12 months	-	-	5.00	-	-	5.00	-	-	5.00
- Interest accrued on fixed deposits	-	-	-	-	-	0.05	-	-	-
- Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	-	-	-	-	-	269.50	-	-
Current									
Investments in mutual fund	10,407.08	-	-	7,796.54	-	-	2,897.98	-	-
Trade receivables	-	-	12,240.73	-	-	10,806.98	-	-	10,012.73
Cash and cash equivalents	-	-	2,200.73	-	-	582.36	-	-	251.79
Bank balances other than above	-	-	5,170.17	-	-	5,403.83	-	-	3,446.92
Other financial assets									
- Security deposits	-	-	-	-	-	-	-	-	-
- Staff advance	-	-	25.72	-	-	10.57	-	-	18.66
- Interest accrued on fixed deposits	-	-	125.36	-	-	146.62	-	-	114.90
- Interest accrued on others	-	-	0.57	-	-	2.73	-	-	-
- Receivable from related parties	-	-	8.62	-	-	8.62	-	-	8.62
- Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	-	-	111.36	-	-	-	-	-
- Other receivables	-	-	-	-	-	951.38	-	-	-
Total	**10,407.08**	**-**	**20,058.35**	**7,907.90**	**-**	**17,187.66**	**3,168.49**	**-**	**14,051.98**
Financial liabilities									
Non-current									
Borrowings	-	-	-	-	-	1,118.42	-	-	1,859.46
Other financial liabilities	-	-	-	-	-	-	-	-	-
Current									
Borrowings	-	-	-	-	-	2,804.41	-	-	8,447.75
Trade payables	-	-	18,291.78	-	-	16,401.75	-	-	12,552.03
Other financial liabilities									
- Current maturity of long term borrowing	-	-	-	-	-	1,974.34	-	-	1,572.11
- Interest accrued	-	-	-	-	-	46.63	-	-	101.24
- Unpaid dividend	-	-	41.96	-	-	45.63	-	-	45.91
- Security deposit	-	-	37.05	-	-	41.28	-	-	41.73
- Capital creditors	-	-	437.28	-	-	312.98	-	-	492.02
Total	**-**	**-**	**18,808.08**	**-**	**-**	**22,745.44**	**-**	**-**	**25,112.25**

* Investment value excludes investment in associates of ₹ 139 lakhs (March 31, 2017 : ₹ 139 lakhs and April 01, 2016: ₹ 139 lakhs) and investment in joint ventures of ₹ 75.50 lakhs (March 31, 2017 : ₹ 75.50 lakhs and April 01, 2016 : ₹ 75.50 lakhs), which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

Note: The directors consider that the carrying amounts of investments in equity shares of other and in trust, which have been recognised in the financial statements, as approximate their fair values.

Financial assets and liabilities measured at fair value - recurring fair value measurements (refer note 3.12)

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial assets			
Level 1	-	-	-
Level 2			
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	111.36	269.50
- Financial instruments at FVTPL: Investments in mutual fund	10,407.08	7,796.54	2,897.98
Level 3			
- Financial instruments at FVTPL: Investment in other	-	-	1.01
Total financial assets	**10,407.08**	**7,907.90**	**3,168.49**

40.2 Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of options, cross currency and interest rate swap contract & investments in mutual funds.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are investments in unquoted equity instruments and other investment.

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds: Fair value is determined by reference to quotes, i.e. net asset value (NAV) for investments in mutual funds as declared.

(ii) Derivative contracts: The Company has entered into variety of foreign currency Options and interest rate swap contract to manage its exposure to fluctuations in foreign exchange rates and interest risk. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

(iii) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.

(iv) Fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

(v) Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

(vi) Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant, as the discount rate has not changed significantly.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

40.3 Capital management

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows:

	March 31, 2018	March 31, 2017	April 01, 2016
Total liabilities	23,177.53	26,629.18	28,749.41
Less: Cash and Cash equivalents	2,200.73	582.36	251.79
Adjusted net debt	20,976.80	26,046.82	28,497.63
Total equity	35,502.76	28,532.10	23,757.82
Adjusted net debt to equity ratio	**0.59**	**0.91**	**1.20**

40.4 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

The Company's principal financial liabilities other than derivatives comprise trade and other payables, borrowings, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury deaprtment which has appropriate skills, experience and supervision. The policy provides that the Company should hedge through prescribed instruments to cover all possible risks of foreign currency outstanding after considering the natural hedge available and customer arrangements. It also prohibits any hedging for speculative transactions.

A. <u>Market risk</u>

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar. The Company uses options, cross currency and interest rate swap contracts to hedge its currency risk on borrowings as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

Exposure to currency risk:

(Amount in Lakhs except otherwise specified)

March 31, 2018	**USD**	**EURO**	**GBP**	**AED**	**JPY**
Foreign currency exposure not hedged (Sell)	15.88	-	-	-	-
Foreign currency exposure not hedged (Buy)	25.68	0.06	-	-	0.25
Derivative contract outstanding	-	-	-	-	-
March 31, 2017	**USD**	**EURO**	**GBP**	**AED**	**JPY**
Foreign currency exposure not hedged (Sell)	18.17	0.75	0.18	2.06	-
Foreign currency exposure not hedged (Buy)	24.51	0.06	-	-	0.25
Derivative contract outstanding	30.67	-	-	-	-
April 01, 2016	**USD**	**EURO**	**GBP**	**AED**	**JPY**
Foreign currency exposure not hedged (Sell)	10.77	-	-	-	-
Foreign currency exposure not hedged (Buy)	19.85	-	-	-	-
Derivative contract outstanding	56.00	-	-	-	-

Sensitivity analysis:

A reasonably possible strengthening (weakening) of USD against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	(Profit) / Loss	
March 31, 2018	**Strengthening**	**Weakening**
USD (5% movement)	(31.86)	31.86
EUR (5% movement)	(0.26)	0.26
JPY (5% movement)	(0.01)	0.01
March 31, 2017		
USD (5% movement)	(20.20)	20.20
EUR (5% movement)	2.39	(2.39)
GBP (5% movement)	0.75	(0.75)
JPY (5% movement)	(0.01)	0.01
AED (5% movement)	1.82	(1.82)
April 01, 2016		
USD (5% movement)	(30.08)	30.08

USD: US Dollar, EUR: Euro, GBP: Great Britain Pound, JPY: Japan Yen and AED: United Arab Emirates Dirham

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers, foreign exchange transactions, deposits with banks and other financial instruments. The carrying amount of financial assets represent the maximum credit risk exposure.

i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customer:

- Original equipment manufacturers (OEMs)

Company has established a policy under which each new OEMs are analysed individually for creditworthiness before goods are sold to them. The Company's review includes due diligence by analysing financial statements, industry information, promoter's background and in some cases bank references. In case of sales, the Company has limited its credit exposure to OEMs and dealers by providing a maximum payment period up to 60 days.

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of April 01, 2016	-	10,012.73	-	10,012.73
Trade Receivables as of March 31, 2017	-	10,806.98	-	10,806.98
Trade Receivables as of March 31, 2018	-	12,240.73	-	12,240.73

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

However,Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments	10,623.33	8,011.61	3,113.49
Security deposits	279.70	220.33	193.36
Deposit with original maturity of more than 12 months	5.00	5.00	5.00
Interest accrued	125.36	146.67	114.90
Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	111.36	269.50
Staff Advance	25.72	10.57	18.66
Interest accrued others	0.57	2.73	-
Receivable from related parties	8.62	8.62	8.62
Receivable on sale of investment	-	951.38	-
Total	**11,068.30**	**9,468.27**	**3,723.53**

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's primary sources of liquidity include cash deposits,short term investments in mutual funds, borrowings, undrawn committed credit facilities and cash flow from operating activities. The Company seeks to increase income from its existing operations by maintaining quality standards for its goods and services while reducing the related costs and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. However, material changes in the factors described above may adversely affect the Company's net cash flows.

As on March 31, 2018, Company doesn't have any outstanding borrowings

Exposure to liquidity risk:

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

March 31, 2018	**Contractual cash flow**				
	Carrying amount	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
Borrowings	-	-			
Interest accrued	-	-	-	-	-
Capital creditors	437.28	437.28	437.28	-	-
Trade payables	18,291.78	18,291.78	18,291.78	-	-
Unpaid dividends	41.96	41.96	41.96	-	-
Security deposit	37.05	37.05	37.05	-	-
	18,808.08	18,808.08	18,808.08	-	-
Derivative financial liabilities					
Options, cross currency and interest rate swap-ECB Loan	-	-	-	-	-
	-	-	-	-	-

March 31, 2017	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Borrowings	3,922.83	3,922.83	2,804.41	1,118.42	-
Interest accrued	46.63	46.63	46.63	-	-
Capital creditors	312.98	312.98	312.98	-	-
Trade payables	16,401.75	16,401.75	16,401.75	-	-
Unpaid dividends	45.63	45.63	45.63	-	-
Security deposit	41.28	41.28	41.28	-	-
	20,771.10	20,771.10	19,652.68	1,118.42	-
Derivative financial liabilities					
Options, cross currency and interest rate swap-ECB Loan	1,974.34	1,974.34	1,974.34	-	-
	1,974.34	1,974.34	1,974.34	-	-

April 01, 2016	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Borrowings	8,447.75	8,447.75	8,447.75	-	-
Interest accrued	101.24	101.24	101.24	-	-
Capital creditors	492.02	492.02	492.02	-	-
Trade payables	12,552.03	12,552.03	12,552.03	-	-
Unpaid dividends	45.91	45.91	45.91	-	-
Security deposit	41.73	41.73	41.73	-	-
	21,680.68	21,680.68	21,680.68	-	-
Derivative financial liabilities					
Options, cross currency and interest rate swap-ECB Loan	3,431.57	3,431.57	1,572.11	1,859.46	
	3,431.57	3,431.57	1,572.11	1,859.46	-

Note 41: First time adoption of Ind AS

As stated in note 2, the financial statements for the year ended March 31, 2018 would be the first annual financial statements prepared in accordance with Ind AS. For year up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However this principle is subject to certain exception and certain optional exemption availed by the Company. The Company has applied the following exemptions apart from mandatory exceptions in Ind AS 101:

a) Mandatory exceptions

i) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or as at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the I GAAP unless there is a objective evidence that those estimates were in error. However the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under I GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of comparative period, as the case may be.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the I GAAP are as follows:

- Fair valuation of financial instruments carried at FVTPL.
- Determination of the discounted value for financial instruments carried at amortized cost

ii) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

b) Optional exemptions

i. Property, Plant and Equipment and Intangible Assets

As permitted by Ind AS 101 - First-time Adoption of Indian Accounting Standards, the Company has elected to continue with carrying values under IGAAP for all items of Property, Plant and Equipment and intangible assets. The carrying values of property, plant and equipment and capital work in progress as aforesaid are after making adjustments relating to de-commissioning liabilities, if any.

ii. Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has elected to avail of the above exemption.

iii. Investments in Joint Controlled Entities and Associates in separate financial statements

In accordance with Ind-AS transitional provisions, the Company opted to consider previous GAAP carrying value of investments as deemed cost on transition date for investments in Joint Ventures and Associates in separate financial statement.

c) Other Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represents the reconciliations from previous GAAP to Ind AS

i. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

	Reference Note No.	March 31, 2017	April 1, 2016
Total Equity (shareholder's funds) as per Previous GAAP		28,216.77	23,066.66
Adjustments:			
Financial Assets Measured as FVTPL	1	277.76	4.18
Derivative measured at MTM	2	111.36	269.50
Warranty Claim	-	122.41	37.37
Deferred Revenue	10	(72.67)	-
Impact of effective interest rate adjustment on borrowings	3	14.05	47.09
Proposed Dividend	4	-	447.31
Lease Equalisation Reserve	7	3.09	0.61
Prior Period Expense	9	-	(3.67)
Other Ind AS Adjustments	11	(0.11)	-
Deferred Tax Adjustments	12	(140.56)	(111.23)
Total Adjustments		**315.33**	**691.16**
Total Equity (shareholder's funds) as per Ind AS		**28,532.10**	**23,757.82**

ii. **Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

	Reference Note No.	March 31, 2017
Net Profit as per Previous GAAP		5,597.42
Adjustments:		
Financial Assets Measured as FVTPL	1	273.58
Derivative measured at MTM	2	(158.13)
Warranty Claim	-	85.04
Deferred Revenue	10	(72.67)
Impact of effective interest rate adjustment on borrowings	3	(33.06)
Lease Equalisation Reserve	7	2.49
Prior Period Expense	9	3.67
Remeasurement Impact of Retirement Benefits	5	10.05
Other Ind AS Adjustments	11	(0.11)
Deferred Tax Adjustments	12	(32.81)
Total Adjustments		**78.05**
Net Profit as per Ind AS		**5,675.47**
Other Comprehensive Income (net of tax)		(6.57)
Total Comprehensive Income for the period under Ind AS		**5,668.90**

iii. **Reconciliation of Statement of Cash Flow for the year ended March 31, 2017**

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from/(used in) operating activities	15,711.88	719.93	16,431.81
Net Cash flow from/(used in) investing activities	(7,280.86)	(1,129.16)	(8,410.02)
Net Cash flow from/(used in) financing activities	(8,100.75)	409.53	(7,691.22)
Net Increase/(Decrease) in cash and cash equivalents	**330.27**	**0.30**	**330.57**
Cash and Cash equivalents at the beginning of the period	251.79	-	251.79
Cash and Cash equivalents at the March 31, 2017	**582.06**	**0.30**	**582.36**

<u>**Notes to First Time Adoption**</u>:

1) **Fair Value through profit & loss**

Under previous GAAP, investments in long term equity instruments are shown at cost and tested for provision other than temporary diminution. As per Ind AS 109, such investments are measured at fair value through profit & loss (FVTPL) and resultant gain/ (loss) is recognised in statement of profit & loss.

2) **Mark to Market on derivative instruments**

Under the previous GAAP, the premium or discount arising at the inception of forward contracts are amortised as an expense in statement of profit & loss. As per Ind AS 109, such derivative contracts are marked to market at reporting date and resultant gain/ (loss) is recognised in statement of profit & loss.

3) **Effective interest rate adjustment on borrowings**

As per Ind AS 109 requires transaction costs incurred towards origination of borrowings to be dedcuted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit & loss over the tenure of the borrowings as part of finance cost by applying the effective interest method. Under previous GAAP, these transactions were charged to statement of profit & loss on straight line basis over the period of loan.

4) **Proposed Dividend**

Under Previous GAAP, proposed dividends and related the dividend distribution tax are recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

5) Retirement Benefits

Actuarial gain/(loss) - Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans has been recognised in Statement of Profit and Loss as an exceptional item. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.

6) Discounting of security deposits for leases

Under Previous GAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'.

7) Lease Equalisation Reserve

Under Previous GAAP, lease payments are required to be recognised on a straight-line basis over the term of the lease. Under Ind AS, lease payments which are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, are required to be recognised as an expense in line with its contractual term. Accordingly, the provision for scheduled increases on operating lease recognised under Previous GAAP has been written back under Ind AS.

8) Reclassification adjustment (Mat credit entitlement and excise duty)

MAT credit entitlement: Under previous GAAP, MAT credit entitlement was being shown separately under the head "Loans and Advances" whereas under Ind AS, the same is required to be shown under the head "Deferred tax asset".

Excise duty: Under previous GAAP, revenue form operations was shown net of excise duty, whereas as per Ind AS excise duty paid should be presented as a separate line item under the head 'Expenses' on the face of the Statement of Profit and Loss.

9) Prior period expenses

Under previous GAAP, prior period items was required to be disclosed separately in the financial statements. However, as per Ind AS, Company is required to adjust material prior period errors retrospectively by restating the comparative amounts for the earliest prior period presented. Further, where the amount of prior period pertains to the period before the earliest prior period presented, opening balances of the earliest period presented are to be restated.

10) Deferment of Revenue

Under Ind AS, Income from services including the associated selling cost is deferred over the respective years to which they pertain. Such income is recognised on straight line basis over the warranty period and the associated service claim cost is recognised as an when incurred and no provision is recognised for warranty cost whereas under previous GAAP, provision for warranty were made and revenue against the same had been recognised in full in the year of sale.

11) Other Ind AS Adjustments

Other adjustments include adjustments on various matters which have not been disclosed separately considering the materiality of the amounts involved.

12) Deferred Tax Adjustments

Retained earnings and statement of profit & loss has been adjusted consequent to the Ind AS transition adjustments with corresponding imoact to deferred tax, wherever applicable.

Note 42: In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 43: Events occurring after balance sheet date

There are no major events which has occurred after the balance sheet date.

Note 44: Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

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

(Kishan N. Parikh) **Chairperson** DIN 00453209	**(Sharda Relan)** **Co-Chairperson** DIN 00252181	**(Ajay Relan)** **Managing Director** DIN 00257584
Place of Signature: Nashik, Maharashtra Date: May 26, 2018	**(Vivek Bhatia)** President & CFO M.No. 89846	**(Nitin Vishnoi)** Company Secretary M.No. F3632

INDEPENDENT AUDITOR'S REPORT

To the Members of Sharda Motor Industries Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Sharda Motor Industries Limited** (hereinafter referred to as "Parent") and its associate companies and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Parent Company including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the Parent Company and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS 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 Ind AS financial statements by the directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting, 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below and the representation received from the management for companies un-audited referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated Ind AS 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, including the Ind AS, of the consolidated state of affairs (financial position) of the Parent, its associates and joint ventures as at March 31, 2018, and their consolidated Profit (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year then ended.

Other Matters

a. The consolidated Ind AS financial statements include the Parent's share of net profit of Rs.803.14 lakhs for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate Company. 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 associate, and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

b. The consolidated Ind AS financial statements include the Parent's share of net profit of Rs.209.51 lakhs for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate company and two joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of one associate Company and two joint ventures and our report in terms of Section 143 (3) of the Act, insofar as it relates to the aforesaid one associate Company and two joint ventures, is based solely on such unaudited financial statements.

c. The comparative financial information of the Parent and its associates and joint ventures for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated July 17, 2017 and May 27, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Parent and the report of the other auditor and representation received from the management for the entities un-audited;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

(e) On the basis of written representations received from the directors of the Parent as on March 31, 2018, taken on record by the Board of Directors of the Parent, and the report of the statutory auditor of its associate and on the basis of the representation received from the management in respect of one associate company and two joint ventures, none of the directors of the Parent, its associates and joint ventures is disqualified as on March 31, 2018 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 Parent, associate companies and joint ventures incorporated in India 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, as amended, 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 Parent, the Parent does not have any pending litigations which would impact the consolidated financial position of the Parent, its associates and joint ventures. except for the cases which are disclosed under Note 21.1 "Contingent Liabilities" in the consolidated Ind AS financial statements

   ii. The Parent, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, associate companies and joint ventures incorporated in India.

For Gupta Vigg & Co.
Chartered Accountants
Firm"s Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778

Place of Signature: Nashik, Maharashtra
Date: May 26, 2018

Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of Sharda Motor Industries Limited

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members 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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Sharda Motor Industries Limited (hereinafter referred to as "Parent") and its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its associate companies and joint ventures, 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 respective Companies 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 respective 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 of 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the representation received from the management for companies 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 Ind AS 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS 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 to the best of our information and according to the explanations given to us and based on the management representation for companies un-audited referred to in the Other Matters paragraph below, the Parent, its associate companies and joint ventures, which are companies 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, 2018, based on "the internal control over financial reporting criteria established by the respective companies 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".

Other Matter

Our aforesaid report under 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 one associate company, which is company incorporated in India is based solely on the corresponding report of the other auditor and one associate company and two joint ventures which are companies incorporated in India, is based solely on the representation received from the management for such companies. Our opinion is not modified in respect of this matter.

For Gupta Vigg & Co.
Chartered Accountants
Firm"s Registration Number: 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778

Place of Signature: Nashik, Maharashtra
Date: May 26, 2018

Consolidated Balance Sheet as at March 31, 2018

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I. Assets				
Non-current assets				
(a) Property, plant and equipment	4	17,472.11	19,551.16	23,023.46
(b) Capital work in progress	5	36.28	71.25	385.87
(c) Other Intangible assets	6	440.00	864.36	1,241.26
(d) Financial assets				
(i) Investments	7	3,165.87	2,233.04	1,844.66
(ii) Other financial assets	8	284.70	225.38	467.86
(e) Non-current tax asset (net)	9	50.06	86.13	379.18
(f) Other non-current assets	10	872.18	498.31	750.67
Total non-current assets		**22,321.20**	**23,529.63**	**28,092.96**
Current assets				
(a) Inventories	11	8,562.04	7,183.69	8,274.17
(b) Financial assets				
(i) Investments	7	10,407.08	7,796.54	2,897.98
(ii) Trade receivables	12	12,240.73	10,806.98	10,012.73
(iii) Cash and cash equivalents	13	2,200.73	582.36	251.79
(iv) Bank balances other than (iii) above	14	5,170.17	5,403.83	3,446.92
(v) Other financial assets	8	160.27	1,231.28	142.18
(c) Other current assets	10	548.11	625.95	1,017.65
(d) Asset held for sale	31(ii)	19.58	18.99	-
Total current assets		**39,308.71**	**33,649.62**	**26,043.42**
Total assets		**61,629.91**	**57,179.25**	**54,136.38**
II. Equity And Liabilities				
Equity				
(a) Equity share capital	15	594.63	594.63	594.63
(b) Other equity	16	37,857.76	29,955.46	24,792.34
Total equity		**38,452.39**	**30,550.09**	**25,386.97**
Liabilities				
Non- current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	-	1,118.42	1,859.46
(b) Provisions	21	205.17	171.46	148.42
(c) Deferred tax liability (net)	33	781.02	1,039.07	1,154.04
(d) Other non-current liabilities	20	218.26	235.77	200.45
Total non- current liabilities		**1,204.45**	**2,564.72**	**3,362.37**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	-	2,804.41	8,447.75
(ii) Trade payables	18			
- Total outstanding dues to micro and small enterprises		-	-	-
- Total outstanding dues to parties other than micro and small enterprises		18,291.78	16,401.73	12,552.03
(iii) Other financial liabilities	19	516.29	2,420.86	2,253.01
(b) Other current liabilities	20	2,931.49	2,137.02	1,953.71
(c) Provisions	21	233.52	300.42	180.54
Total current liabilities		**21,973.07**	**24,064.44**	**25,387.05**
Total liabilities		**23,177.52**	**26,629.16**	**28,749.42**
Total equity and liabilities		**61,629.91**	**57,179.25**	**54,136.38**
Summary of Significant Accounting Policies	3			

The accompanying notes form an integral part of these financial statements
As per our Audit Report of even date attached
For **Gupta Vigg & Co.**
Chartered Accountants
Firm's Registration Number 001393N

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

(CA. Deepak Pokhriyal)
Partner
M.NO. 524778

Kishan N Parikh
Chairperson
DIN:00453209

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Place of Signature: Nashik, Maharashtra
Dated : May 26, 2018

Consolidated Statement of profit and loss for year ended March 31, 2018

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	22	120,425.88	122,538.86
II	Other income	23	1,699.30	1,304.78
III	**Total income (I+II)**		**122,125.18**	**123,843.64**
IV	**Expenses**			
	(a) Cost of materials consumed	24	73,125.90	66,231.84
	(b) Purchases of stock-in-trade	25	6,060.51	5,189.74
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	26	(231.00)	195.18
	(d) Excise duty		4,881.31	18,350.35
	(e) Employee benefits expense	27	8,203.22	7,282.78
	(f) Finance costs	28	213.00	759.57
	(g) Depreciation and amortization expense	29	4,377.89	4,979.38
	(h) Other expenses	30	13,841.90	12,306.88
	Total expenses		**110,472.73**	**115,295.72**
V	**Profit before exceptional items and tax (III-IV)**		**11,652.45**	**8,547.92**
VI	**Exceptional Items**	31	58.73	915.27
VII	**Profit before tax (V-VI)**		**11,593.72**	**7,632.65**
VIII	**Tax expense:**	32		
	(a) Current tax		4,088.59	2,677.43
	(b) Deferred tax		(274.89)	(639.26)
	Total tax expense		**3,813.70**	**2,038.17**
IX	**Profit for the year before share of profit/(loss) of associates and joint ventures (VII-VIII)**		**7,780.02**	**5,594.48**
X	Share of profit/(loss) of associates (net of tax)		879.32	374.59
XI	Share of profit/(loss) of joint ventures (net of tax)		137.78	120.49
XII	**Profit for the year (IX+X+XI)**		**8,797.12**	**6,089.56**
XIII	**Other Comprehensive Income**			
	(A) (i) Items that will not be reclassified to profit or loss			
	- Re-measurement gains/ (losses) on defined benefit plans		(1.12)	(12.42)
	(ii) Income tax on items that will not be reclassified to profit or loss		0.90	3.73
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax on items that will not be reclassified to profit or loss		-	-
	Total other comprehensive income for the year, net of tax		**(0.22)**	**(8.69)**
XIV	**Total comprehensive income for the year, net of tax (XII+XIII)**		**8,796.90**	**6,080.87**
XV	**Earnings per share: (Face value ₹ 10 per share)**	34		
	1) Basic (amount in ₹)		147.94	102.41
	2) Diluted (amount in ₹)		147.94	102.41
	Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements
As per our Audit Report of even date attached
For **Gupta Vigg & Co.**
Chartered Accountants
Firm's Registration Number 001393N

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

(CA. Deepak Pokhriyal)
Partner
M.NO. 524778

Kishan N Parikh
Chairperson
DIN:00453209

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Place of Signature: Nashik, Maharashtra
Dated : May 26, 2018

Consolidated Statement of changes in equity for the year ended March 31, 2018

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital

	Amount
Balance as at April 01, 2016	**594.63**
Changes during the year	-
Balance as at March 31, 2017	**594.63**
Changes during the year	-
Balance as at March 31, 2018	**594.63**

B. Other Equity

	Reserve & Surplus				
	Capital Reserve	General Reserve	Retained earnings	Other comprehensive income- Remeasurement of defined benefit obligation	Total
Balance as at April 01, 2016	0.20	21,025.68	3,764.26	2.20	**24,792.34**
Profit for the year	-	-	6,089.56	-	**6,089.56**
Share of loss of a Joint venture brought forward	-	-	(23.14)	-	**(23.14)**
Transfer to General Reserve	-	-	-	-	**-**
Other comprehensive income for the year, net of tax	-	-	-	(8.69)	**(8.69)**
Total Comprehensive Income	**-**	**-**	**6,066.42**	**(8.69)**	**6,057.72**
Payment of Dividend	-	-	(743.27)	-	**(743.27)**
Dividend Distribution Tax	-	-	(151.33)	-	**(151.33)**
Balance as at March 31, 2017	**0.20**	**21,025.68**	**8,936.07**	**(6.49)**	**29,955.46**
Profit for the year	-	-	8,797.11	-	**8,797.11**
Transfer to General Reserve	-	-	-	-	**-**
Other comprehensive income for the year, net of tax	-	-	-	(0.22)	**(0.22)**
Total Comprehensive Income	**-**	**-**	**8,797.11**	**(0.22)**	**8,796.90**
Payment of Dividend	-	-	(743.23)		**(743.23)**
Dividend Distribution Tax	-	-	(151.33)		**(151.33)**
Balance as at March 31, 2018	**0.20**	**21,025.68**	**16,838.61**	**(6.71)**	**37,857.78**
Summary of Significant Accounting Policies	3				

The accompanying notes form an integral part of these financial statements

As per our Audit Report of even date attached
For **Gupta Vigg & Co.**
Chartered Accountants
Firm's Registration Number 001393N

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

(CA. Deepak Pokhriyal)
Partner
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President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Place of Signature: Nashik, Maharashtra
Dated : May 26, 2018

Consolidated Statement of cash flows for the year ended March 31, 2018

(Currency : ₹ in Lakhs except otherwise specified)

PARTICULARS	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before tax		11,593.72	7,632.65
Adjustments for:			
Depreciation and amortization		4,377.89	4,979.38
Finance cost		213.00	759.57
Interest income		(365.13)	(381.88)
Interest income under effective interest rate method on security deposits at amortised cost		(0.66)	(0.61)
Dividend income		(177.24)	-
Loss / (Gain) on sale of financial asset measured at Fair value through profit and loss (FVTPL)		(346.08)	(164.42)
Pre- Operative Expenses Written Off		-	738.87
Diminution in value of asset held for sale		58.73	176.40
Property, Plant and Equipment written off		16.90	-
Provision for doubtful debts		2.51	-
Amount written off (net)		-	(22.58)
Loss / (Gain) on sale of property, plant and equipment (net)		(352.18)	(233.02)
Fair value gain on investment in mutual fund designated at FVTPL		(193.69)	(269.58)
Unrealized loss/(gain) on reinstatement of foreign exchange (net)		(16.74)	9.54
Fair value losses on derivatives not designated as hedged		111.36	158.13
Operating profit / (loss) before adjustments		**14,922.39**	**13,382.45**
Adjustments for:			
Decrease/(increase) in inventories		(1,378.35)	1,090.48
Decrease/(increase) in trade receivables		(1,513.76)	(794.25)
Decrease/(increase) in other financial assets		989.61	(18.32)
Decrease/(increase) in other assets		77.86	436.89
Increase in trade payables		1,883.20	3,840.16
Increase in other liabilities		776.97	218.60
Increase in other financial liabilities		(115.59)	(0.45)
Increase/(decrease) in provisions		(26.71)	132.86
Cash generated from operating activities		**15,615.62**	**18,288.42**
Taxes (paid) / refund		(4,037.92)	(1,856.61)
Net cash from operating activities - (A)		**11,577.70**	**16,431.81**
B CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment including capital work-in-progress		(2,520.70)	(2,171.90)
Acquisition of intangible assets including intangible assets under development		(55.82)	(116.40)
Proceeds from sale of property, plant and equipment		761.27	822.26
Payments for purchase of investments		(15,922.93)	(8,400.64)
Proceeds from sale of investments		13,931.96	3,063.41
Bank deposits (made) /realized		233.66	(1,956.91)
Dividend received		177.24	-
Interest received		388.61	350.16
Net cash used in investing activities - (B)		**(3,006.71)**	**(8,410.02)**
C CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(5,794.70)	(5,982.14)
Finance cost paid		(259.63)	(814.18)
Dividend paid (including corporate dividend tax)		(898.29)	(894.90)
Net cash from financing activities - (C)		**(6,952.62)**	**(7,691.22)**
Net increase / (decrease) in cash and cash equivalents - (A+B+C)		**1,618.37**	**330.57**
Cash and cash equivalents at the beginning of the year		582.36	251.79
Cash and cash equivalents at the end of the year [refer note 13]		**2,200.73**	**582.36**

Note:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7-"Statement of cash flow"

ii) Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 13).

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these financial statements

As per our Audit Report of even date attached

For **Gupta Vigg & Co.**
Chartered Accountants
Firm's Registration Number 001393N

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

(CA. Deepak Pokhriyal)
Partner
M.NO. 524778

Kishan N Parikh
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Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Place of Signature: Nashik, Maharashtra
Dated : May 26, 2018

Notes to Consolidated Financial Statements for the year Ended March 31, 2018

Note 1: Group Information

Sharda Motor Industries Limited ("the Company"), its subsidiaries and its joint venture(Jointly reffered to as the "Group' herein under) considered in these consolidated financial statements. 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. The Company's production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems, Sheet Metal Components and Plastic parts for the Automotive and White Goods Industries. (For details refer Note-45)

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

The Consolidated financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Upto the year ended 31st March, 2017, the Company prepared the Consolidated financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. These are the Company's first Ind AS Consolidated financial statements. The date of transition to the Ind AS is April 01, 2016. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 41.

The Consolidated financial statements were authorized for issue by the Company's Board of Directors on May 26, 2018.

2.2 Basis of preparation and presentation:

The Consolidated financial statements have been prepared on the historical cost convention on accrual basis except for certain financial assets and liabilities (including derivative instruments) and net defined benefits (assets)/liability which are measured at fair value and fair value of the plan assets less present value of defined benefits obligations respectively at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below.

2.3 Basis of consolidation and equity accounting:

i) Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.

(ii) Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method of accounting (see note(iii) below), after initially being recognised at cost in the consolidated balance sheet.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

(iv) 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 associates and joint ventures have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2018 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these Consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.5 Use of estimates and judgements:

The preparation of Consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2018:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.6 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.7 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, sales incentives, value added taxes.

The Company recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk and reward and degree of managerial involvement associated with ownership or effective control have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement.

Sale of goods

Domestic sales are recognised on transfer of significant risk and rewards of ownership 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 and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities.

Sale includes revision in prices received from customers with retrospective effect.

Income from Services

Rendering of services is recognised under the proportionate completion method provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration.

Dividend and Interest Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial instrument to the gross carrying amount of the financial asset.

3.2 Recognition of interest expense:

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments throughout the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.3 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development as at the balance sheet date.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II .

Asset	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

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%

3.4 Intangible assets:

Intangible assets comprise of computer software (which does not form 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 principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation method and useful lives: 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.

3.5 Research & Development Costs:

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 labour 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 depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.6 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.7 Foreign currencies:

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ lakhs except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

The Company has one branch office outside India whose financial statement 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 profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.8 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 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 or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.9 Leases:

Determining whether arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

Lease payments

Payments made under operating leases are recognised in statement of profit or loss on a straight line basis over the term of the lease unless such payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expenses over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.10 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken 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.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3.11 <u>Provisions, Contingent liabilities and contingent assets:</u>

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

<u>Litigations:</u> Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed when there is a possible asset that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company.

3.12 Financial instruments:

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

Financial asset and financial liabilities are initially measured at fair value. Transaction cost which are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

(a) Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

• those measured at amortised cost

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

• Business model test : the objective of the Company’s business model is to hold the financial asset to collect the contractual cash flows.

• Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

• Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.

• Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has an equity investment in an entity which is not held for trading. The Company has elected to measure this investment at amortised cost. Dividend, if any, on this investments is recognised in profit or loss.

Equity investment in associates and joint ventures

Investments representing equity interest in associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in mutual funds are measured at fair value through profit and loss. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Trade receivables

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

• financial assets measured at amortised cost

• financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

• the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or

• full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

A financial asset is derecognised only when

• The Company has transferred the rights to receive cash flows from the financial asset or

• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(b) Financial liabilities and equity instruments

Classification of debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.13 Derivative financial instruments:

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

3.14 Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.15 Impairment of tangible and intangible assets:

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.”

3.16 <u>Operating segment:</u>

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company’s other components, and for which discrete financial information is available. All operating segments’ operating results are reviewed regularly by the Company’s CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company’s CODM.

3.17 <u>Cash and cash equivalents:</u>

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.18 <u>Dividends:</u>

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

3.19 <u>Assets Held for Sale:</u>

Non-current assets or disposal groups comprising of assets and liabilities are classified as ‘held for sale’ when all of the following criteria’s are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.20 <u>Earnings per share (EPS):</u>

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

3.21 <u>Recent accounting pronouncements-Standards issued but not yet effective:</u>

<u>Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:</u> On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

<u>Ind AS 115- Revenue from Contract with Customers:</u> On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is yet to decide the method of applicability and is evaluating the requirements of the amendment and its effect on the financial statements.

Modifications on Ind AS 102, have been issued by MCA, however the standard is not applicable to the Company.

Amendment to Ind AS 12 : The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements and its impact on the financial statements.

Note 4 : Property, Plant and Equipment

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross Block										
(At deemed cost)										
As at April 01, 2016	1,403.31	753.22	11,713.03	4,952.90	164.74	45.63	71.89	1,051.74	241.69	20,398.15
Add: Additions made during the year	-	-	1,540.56	9.02	43.71	29.80	8.77	-	174.32	1,806.18
Less: Disposals /adjustments during the year	-	111.00	943.84	-	0.05	-	0.30	14.62	5.63	1,075.43
As at March 31, 2017	**1,403.31**	**642.22**	**12,309.75**	**4,961.92**	**208.40**	**75.43**	**80.36**	**1,037.12**	**410.38**	**21,128.90**
Add: Additions made during the year	-	-	1,930.41	27.32	34.52	66.58	14.61	33.81	46.66	2,153.91
Less: Disposals / adjustments during the year	-	-	684.62	-	5.69	6.69	1.85	8.12	18.10	725.07
As at March 31, 2018	**1,403.31**	**642.22**	**13,555.53**	**4,989.24**	**237.24**	**135.33**	**93.11**	**1,062.81**	**438.93**	**22,557.74**
Depreciation and impairment										
As at April 01, 2016	-	-	-	-	-	-	-	-		-
Add: Depreciation charge for the year	-	8.67	3,119.95	495.72	59.14	25.11	24.13	197.90	77.96	4,008.59
Less: On disposals / adjustments during the year	-	-	176.72	-	0.05	-	0.30	2.46	0.29	179.82
As at March 31, 2017	**-**	**8.67**	**2,943.24**	**495.72**	**59.09**	**25.11**	**23.83**	**195.44**	**77.67**	**3,828.77**
Add: Depreciation charge for the year	-	8.67	2,642.12	445.65	49.99	48.35	18.34	164.71	98.54	3,476.37
Less: On disposals / adjustments during the year	-	-	216.90	-	3.29	1.62	0.73	7.04	3.58	233.17
As at March 31, 2018	**-**	**17.34**	**5,368.45**	**941.37**	**105.78**	**71.84**	**41.45**	**353.11**	**172.62**	**7,071.98**
Research & Development										
Gross Block										
(At deemed cost)										
As at April 01, 2016	-	-	1,830.42	599.63	30.81	13.48	2.38	139.67	8.92	2,625.32
Add: Additions made during the year	-	-	91.99	-	0.70	10.10	0.42	-	-	103.20
Less: Disposals /adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	**-**	**-**	**1,922.41**	**599.63**	**31.51**	**23.58**	**2.80**	**139.67**	**8.92**	**2,728.52**
Add: Additions made during the year	-	-	131.45	-	2.85	6.50	6.76	-	9.08	156.64
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**2,053.86**	**599.63**	**34.36**	**30.08**	**9.56**	**139.67**	**18.01**	**2,885.16**

Depreciation and impairment

Particulars	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
As at April 01, 2016		-	-	-	-	-	-	-		-
Add: Depreciation charge for the year	-	-	404.34	28.65	10.16	5.37	0.68	25.31	2.97	477.49
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	**-**	**-**	**404.34**	**28.65**	**10.16**	**5.37**	**0.68**	**25.31**	**2.97**	**477.49**
Add: Depreciation charge for the year	-	-	348.71	27.28	7.79	12.33	1.94	20.73	2.55	421.33
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**753.05**	**55.93**	**17.96**	**17.70**	**2.62**	**46.04**	**5.52**	**898.82**
Net book value										
As at March 31, 2018	**1,403.31**	**624.88**	**9,487.89**	**4,591.57**	**147.86**	**75.86**	**58.62**	**803.32**	**278.79**	**17,472.11**
As at March 31, 2017	**1,403.31**	**633.55**	**10,884.58**	**5,037.18**	**170.66**	**68.53**	**58.65**	**956.04**	**338.66**	**19,551.16**
As at April 01, 2016	**1,403.31**	**753.22**	**13,543.45**	**5,552.53**	**195.55**	**59.11**	**74.27**	**1,191.41**	**250.61**	**23,023.46**

Notes:

1. The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the Company has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Company separately as follows :

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount as at April 1, 2016	1,410.09	837.46	27,830.56	9,113.16	661.04	424.80	332.56	2,799.91	1,240.32	44,649.91
Accumulated depreciation as at April 1, 2016	6.78	84.24	16,117.53	4,160.26	496.30	379.17	260.67	1,748.17	998.63	24,251.76
Net carrying amount as at April 1, 2016	1,403.31	753.22	11,713.03	4,952.90	164.74	45.63	71.89	1,051.74	241.69	20,398.15

Research & Development

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount as at April 1, 2016	-	-	2,998.66	721.15	84.87	110.68	6.26	194.35	45.09	4,161.06
Accumulated depreciation as at April 1, 2016	-	-	1,168.24	121.52	54.06	97.20	3.87	54.68	36.16	1,535.74
Net carrying amount as at April 1, 2016	-	-	1,830.42	599.63	30.81	13.48	2.38	139.67	8.92	2,625.32

2. **Details of assets charged to Banks:**

(i) 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 from ECB loan from Citibank N.A.

(ii) 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 ECB loan from CTBC Bank.

(iii) Equitable mortgage of leasehold land and building, situated at Plot No.4, Sector 31, Greater Noida Industrial Development Area, U.P. and hypothecation of movable assets including plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital lenders.

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Building	-	58.47	237.59
Plant & Machinery	36.28	12.78	54.32
Electrical Fittings	-	-	93.96
	36.28	**71.25**	**385.87**

Notes:

1. On transition to Ind AS, the Company has elected to continue with the carrying value of all of its capital work in progress recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the capital work in progress.

Note 6 : Other Intangible assets	Software Development	Technical Knowhow & Guidance	Total
Gross Block			
(At deemed cost)			
As at April 01, 2016	10.01	1,179.31	1,189.32
Add: Additions made during the year	2.14	-	2.14
Less: Disposals /adjustments during the year	-	-	-
As at March 31, 2017	**12.15**	**1,179.31**	**1,191.46**
Add: Additions made during the year	31.38	-	31.38
Less: Disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	**43.53**	**1,179.20**	**1,222.73**
Amortisation and impairment			
As at April 01, 2016	-	-	-
Add: Amortisation for the year	7.22	441.98	449.19
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2017	**7.22**	**441.98**	**449.19**
Add: Amortisation for the year	9.70	421.49	431.19
Less: On disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	16.92	863.36	880.27
Research & Development			
Gross Block (At deemed cost)			
As at April 01, 2016	29.40	22.54	51.94
Add: Additions made during the year	114.27	-	114.27
Less: Disposals /adjustments during the year	-	-	-
As at March 31, 2017	**143.67**	**22.54**	**166.21**
Add: Additions made during the year	24.45	-	24.45
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2018	**168.12**	**22.54**	**190.66**
Amortisation and impairment			
As at April 01, 2016	-	-	-
Add: Amortisation for the year	22.63	21.48	44.11
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2017	**22.63**	**21.48**	**44.11**
Add: Amortisation for the year	47.94	1.06	48.99
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	70.57	22.54	93.10

(Currency : ₹ in Lakhs except otherwise specified)

Net book value			
As at March 31, 2018	**124.16**	**315.84**	**440.00**
As at March 31, 2017	**125.97**	**738.39**	**864.36**
As at April 01, 2016	**39.41**	**1,201.85**	**1,241.26**

Notes:

1. The Company has availed the exemption available under Ind AS 101, whereas the carrying value of Intangible assets has been carried forwarded at the amount as determined under the previous GAAP. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the Company has disclosed the cost as at April 01, 2016 net of accumulated depreciation. However, information regarding gross carrying amount of assets, accumulated depreciation has been disclosed by the Company separately as follows :

Intangible Assets	Software Development	Technical Knowhow & Guidance	Total
Gross carrying amount as at April 1, 2016	163.74	5,483.05	5,646.79
Accumulated amortization as at April 1, 2016	153.73	4,303.74	4,457.47
Net carrying amount as at April 1, 2016	10.01	1,179.31	1,189.32

Research & Development

Intangible Assets			
Gross carrying amount as at April 1, 2016	322.19	128.88	451.07
Accumulated amortization as at April 1, 2016	292.79	106.35	399.13
Net carrying amount as at April 1, 2016	29.40	22.54	51.94

Note 7 : Investments	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
NON-CURRENT			
Investments measured at cost			
In equity shares of Associates			
Quoted, fully paid up			
9,000,000 (March 31, 2017: 9,000,000 and April 01, 2016: 9,000,000) Equity Shares (including 4,500,000 (March 31, 2017: 4,500,000 and April 01, 2016: 4,500,000) bonus shares) of ₹ 2/- each of Bharat Seats Ltd	2,603.63	1,881.49	1,615.78
Unquoted, fully paid up			
490,000 (March 31, 2017: 490,000 and April 01, 2016: 490,000) Equity shares of ₹ 10 each of Relan Industrial Finance Ltd.	259.81	189.13	163.42
In equity shares of Joint Ventures			
Unquoted, fully paid up			
5,000 (March 31, 2017: 5,000 and April 01, 2016: 5,000) Equity shares of ₹ 10 each of Toyota Boshoku Relan India Pvt. Ltd.	0.60	1.15	-
750,000 (March 31, 2017: 750,000 and April 01, 2016: 750,000) Equity shares of ₹ 10 each of Toyo Sharda India Pvt. Ltd.	300.08	160.70	64.45
In equity shares of Other			
Unquoted, fully paid up			
17,500 (March 31, 2017: 5700 and April 01, 2016: Nil) Equity shares of ₹ 10 each of Windage Power Company Private Limited	1.75	0.57	-

Note: The Company has availed the exemption available under Ind AS 101,whereas on the date on transition as on April 01, 2016, the carrying value of investments has been carried forwarded at the amount as determined under the previous GAAP.

Investments measured at fair value through profit or loss

In Trust- (Unquoted)	-	-	1.01
Total (A)	**3,165.87**	**2,233.04**	**1,844.66**
Aggregate value of unquoted investments	562.24	351.55	228.88
Aggregate value of quoted investments	2,603.63	1,881.49	1,615.78
Market value of quoted investments	15,444.00	6,430.50	3,240.00

Investment in two associates and two joint ventures are accounted for using the equity method in these consolidated financial statements.

Each of the two associates and two joint ventures are not individually material to the Group considering the contribution of these associates and joint ventures to the consolidated net asset of the Group.

Financial information of associates that are not individually material

	For the year ended March 31, 2018	For the year ended March 31, 2017
Parent's share of profit or loss	879.32	374.59
Parent's share of total comprehensive income	**879.32**	**374.59**

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Aggregate carrying amount of Parent's interest in these associates	2,863.43	2,070.62	1,779.20

Financial information of joint ventures that are not individually material

	For the year ended March 31, 2018	For the year ended March 31, 2017
Parent's share of profit or loss	137.78	120.49
Parent's share of total comprehensive income	**137.78**	**120.49**

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Aggregate carrying amount of Parent's interest in these joint ventures	300.68	161.85	64.45

Information about Associates & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Associates			
Bharat Seats Ltd, India, Manufacturing of Seating System	28.66	28.66	28.66
Relan Industrial Finance Ltd., India, Service provider of investments	47.12	47.12	47.12
Joint Ventures			
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00	50.00
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00	50.00

CURRENT			
Investment measured at fair value through profit or loss			
Investment In Mutual Fund (Unquoted)			
- Nil (March 31,2017: Nil and April 01, 2016 : 4,042.97) units of UTI -Liquid Cash Plan - Institutional Growth	-	-	100.02
- Nil (March 31,2017: Nil and April 01, 2016: 21,726.73) units of Reliance Liquid Fund - Treasury Plan -Growth Option	-	-	800.17
- Nil (March 31,2017: Nil and April 01, 2016: 49,971.94) units of Reliance Liquid Fund - Cash Plan - Growth Option	-	-	1,196.20
- Nil (March 31,2017: Nil and April 01, 2016: 33,713.33) units of SBI Premier Liquid Fund - Regular Plan - Growth	-	-	801.59
- 6,999,407.76 (March 31,2017: 6,217,272.97 and April 01, 2016: Nil) units of Reliance Short Term Fund (Growth)	2,284.30	1,915.97	-
- 3,776,031.01 (March 31,2017: 3,776,031.01 and April 01, 2016 : Nil) units of ICICI Prudential Short Term plan Regular (Growth)	1,366.74	1,288.46	-
- Nil (March 31,2017: 1,005,112.67 and April 01, 2016 : Nil) units of BSL-Dynamic Bond Fund-Retail- Regular Growth Plan	-	291.83	-
	-		-
- 408,105.3 (March 31,2017: 408,105.3 and April 01, 2016 : Nil) units of Birla Sunlife Short Term Fund (Growth)	271.03	254.13	-
- Nil (March 31,2017: 6,544,040.06 and April 01, 2016 : Nil) units of SBI Short Term Debt Fund- Regular Plan-Growth	-	1,236.88	-
- Nil (March 31,2017: 726,030.12 and April 01, 2016 : Nil) units of SBI Magnum Balanced Fund-Reg Growth	-	792.50	-
- Nil (March 31,2017: 4,092,500.10 and April 01, 2016 : Nil) units of Kotak Bond - Short Term Plan - Regular Plan (Growth)	-	1,257.87	-
- Nil (March 31,2017: 1,649,027.57 and April 01, 2016 : Nil) units of Tata Short Term Bond Fund - Regular Plan (Growth)	-	504.08	-
- 223,015.17 (March 31,2017: 223,015.17 and April 01, 2016 : Nil) units of ICICI Pru Balanced Reg Plan (Growth)	278.52	254.82	-
- 582,328.09 (March 31,2017: Nil and April 01, 2016 : Nil) unit of Reliance - Medium Term Fund (G)	212.09	-	-
- 9,447,048.91 (March 31,2017: Nil and April 01, 2016 : Nil) units of Reliance Arbitrage Advantage Fund (MD)	999.36	-	-
- 7,519,834.30 (March 31,2017: Nil and April 01, 2016 : Nil) units of SBI Arbitrage Opportunities Fund (D)	1,002.36	-	-
- 7,986,431.54 (March 31,2017: Nil and April 01, 2016 : Nil) units of ICICI Prudential Equity-Arbitrage Fund - Retail Plan (D)	1,089.27	-	-
- 3,672,422.63 (March 31,2017: Nil and April 01, 2016 : Nil) units of HDFC Arbitrage Fund - Wholesale Plan (MD)	399.67	-	-
- 3,536,060.64 (March 31,2017: Nil and April 01, 2016 : Nil) units of ICICI Prudential Equity Income Fund - Regular Plan (MD)	393.21	-	-
- 13,178,805.39 (March 31,2017: Nil and April 01, 2016 : Nil) units of Kotak Equity Savings Fund - Regular Plan (MD)	1,469.09	-	-
- 2,084,463.32 (March 31,2017: Nil and April 01, 2016 : Nil) units SBI Equity Savings Fund - Regular Plan-Growth	258.50	-	-
-3,451,191.52 (March 31,2017: Nil and April 01, 2016 : Nil) units of Reliance equity Savings fund- Monthly Dividend	382.94	-	-
Total (B)	**10,407.08**	**7,796.54**	**2,897.98**
Total (A+B)	**13,572.96**	**10,029.59**	**4,742.64**

Note 8 : Other financial assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Security Deposits (Refer to note 'a' below)	279.70	220.33	193.36
Interest accrued	-	0.05	-
Deposits with original maturity of more than 12 months (Refer to note 'b' below)	5.00	5.00	5.00
Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	-	269.50
Total (A)	**284.70**	**225.38**	**467.86**
Current			
Staff Advance	25.72	10.57	18.66
Interest accrued on fixed deposits	125.36	146.62	114.90
Interest accrued others	0.57	2.73	-
Receivable from related parties	8.62	8.62	8.62
Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	111.36	-
Receivable on sale of investment	-	951.38	-
Total (B)	**160.27**	**1,231.28**	**142.18**
Total (A+B)	**444.97**	**1,456.66**	**610.04**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) Margin Money Deposit is pledged with Canara bank amounting to ₹ Nil (March 31, 2017: Nil; April 01, 2016: ₹ 5.00 Lakhs)

Note 9 : Non-current tax asset	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Advance Income Tax	50.06	86.13	379.18
(Net of provision of ₹ 7,759.83 (March 31, 2017 : ₹ 3,315.48 Lakhs, April 01, 2016: ₹ 2,886.05 Lakhs)			
	50.06	**86.13**	**379.18**

Note 10 : Other assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- Current			
Capital Advances(refer note below)	870.88	496.28	726.04
Deferred Payment Asset	1.30	2.03	2.75
Prepaid Expenses	-	-	21.88
Total (A)	**872.18**	**498.31**	**750.67**
Current			
Balance with Government Authorities	67.03	341.65	475.96
Advances to Suppliers	305.86	68.46	131.92
Deferred Payment Asset	0.72	0.72	0.72
Prepaid Expenses	130.99	213.28	196.99
Other Receivable	43.51	1.84	212.06
Total (B)	**548.11**	**625.95**	**1,017.65**
Total (A+B)	**1,420.29**	**1,124.26**	**1,768.32**

Note: Details of Capital commitment is as follows:

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of advance of ₹ 870.88 Lakhs (March 31, 2017: ₹ 496.28 lakhs; April 01, 2016: ₹ 726.04 lakhs)	1,127.68	513.67	481.55
	1,127.68	**513.67**	**481.55**

Note 11: Inventories (Lower of cost or net realizable value)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Raw Materials	6,242.65	5,413.38	5,983.44
Raw Materials - In Transit	328.57	141.72	125.86
Work In Progress	1,782.28	1,536.53	1,743.87
Finished Goods	-	13.91	2.59
Traded Goods	-	0.84	-
Consumable Stores and Spares	208.54	77.31	418.02
Others	-	-	0.39
	8,562.04	**7,183.69**	**8,274.17**

Note:

1. The mode of valuation of inventories has been stated in note 3.8.
2. Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 12 : Trade receivables	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered Good	12,240.73	10,806.98	10,012.73
Unsecured, Considered Doubtful	2.51	-	-
	12,243.24	10,806.98	10,012.73
Less: Allowance for bad and doubtful debts	2.51	-	-
	12,240.73	**10,806.98**	**10,012.73**

a) Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

b) The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 40.

c) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 13 : Cash and cash equivalents	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- on current account	900.28	226.97	50.97
- deposits with original maturity of less than 3 months	1,300.00	250.00	200.00
Cash on hand:			
- Domestic Currency	0.45	0.80	0.82
- Foreign Currency	-	104.59	-
	2,200.73	**582.36**	**251.79**

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 14 : Bank balances other than cash and cash equivalents	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- unpaid dividend account	41.96	45.63	45.91
Deposits with original maturity of more than 3 months but less than 12 months	1,928.21	5,358.20	3,401.01
Deposits with original maturity of more than 12 months	3,200.00	-	-
	5,170.17	**5,403.83**	**3,446.92**

Note 15 : Equity Share Capital	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised Share Capital			
50,000,000* (March 31, 2017: 50,000,000, April 01, 2016 : 50,000,000) equity shares of ₹ 10 each	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid up			
5,946,326* (March 31, 2017: 5,946,326, April 01, 2016 : 5,946,326) equity shares of ₹ 10 each	594.63	594.63	594.63
	594.63	**594.63**	**594.63**

a) Reconciliation of share capital:

	No. of shares	Amount
Balance as at April 1, 2016	5,946,326	594.63
Issue/buy back during the year	-	-
Balance as at March 31, 2017	**5,946,326**	**594.63**
Issue/buy back during the year	-	-
Balance as at March 31, 2018	**5,946,326**	**594.63**

b) Terms/ rights attached to equity shares:

(i) 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 of ₹ 6.25 per share (March 31, 2017: ₹ 6.25 per share) is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. 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.

(ii) During the year, an interim dividend of ₹ 6.25 per share (March 31, 2017: ₹ 6.25 per share) has been recognized as distributions to equity shareholders.

*Note: Number of Shares are given in absolute numbers

c) Details of shareholders holding more than 5% shares in the Company

Name of Party	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Holding %	No. of shares	Holding %	No. of shares	Holding %
N.D. Relan	-	0.00%	-	0.00%	450,960	7.58%
Sharda Relan	-	0.00%	-	0.00%	697,520	11.73%
Ajay Relan	1,914,195	32.19%	1,933,858	32.52%	785,378	13.21%
Rohit Relan	428,818	7.21%	428,818	7.21%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	497,252	8.36%	496,260	8.35%
Aashim Relan	304,440	5.12%	300,900	5.06%	300,900	5.06%

Note: Number of Shares are given in absolute numbers

Note 16 : Other Equity

		Amount
a)	**General Reserve**	
	Balance as at April 1, 2016	**21,025.68**
	Movement during the year	-
	Balance as at March 31, 2017	**21,025.68**
	Movement during the year	-
	Balance as at March 31, 2018	**21,025.68**

The general reserve is created from, time to time transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

b)	**Capital Reserve**	
	Balance as at April 1, 2016	**0.20**
	Movement during the year	-
	Balance as at March 31, 2017	**0.20**
	Movement during the year	-
	Balance as at March 31, 2018	**0.20**
c)	**Retained Earnings**	
	Balance as at April 1, 2016	**3,764.25**
	Add:- Profit for the year	6,089.56
	Less: Share of loss of a Joint venture brought forward	23.14
	Less: Dividend Paid	743.28
	Less: Dividend Distribution Tax Paid	151.34
	Less: Transfer to General Reserve	
	Balance as at March 31, 2017	**8,936.06**
	Add:- Profit for the year	8,797.11
	Less: Dividend Paid	743.28
	Less: Dividend Distribution Tax Paid	151.34
	Less: Transfer to General Reserve	-
	Balance as at March 31, 2018	**16,838.61**

Notes:

1. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
2. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
3. For the year ended March 31, 2017, a dividend of ₹13.50 per share (total dividend of ₹ 743.28 lakhs) was paid to holders of fully paid equity shares.
4. For the year ended March 31, 2018, an interim dividend of ₹ 6.25 per share (total dividend of ₹ 371.64 lakhs) was paid to holders of fully paid equity shares. The directors propose dividend of ₹ 6.25 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all the holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 371.64 lakhs.

d) Other comprehensive income-Remeasurement of defined benefit obligation

Balance as at April 1, 2016	**2.20**
Add:- Gain/(Loss) recognised during the year	(8.69)
Balance as at March 31, 2017	**(6.49)**
Add:- Gain/(Loss) recognised during the year	(0.22)
Balance as at March 31, 2018	**(6.71)**

Total Other Equity:	
As at April 01, 2016	**24,792.34**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	3,764.25
d) OCI-Remeasurement of defined benefit obligation	2.20
As at March 31, 2017	**29,955.46**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	8,936.06
d) OCI-Remeasurement of defined benefit obligation	(6.49)
As at March 31, 2018	**37,857.76**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	16,838.61
d) OCI-Remeasurement of defined benefit obligation	(6.71)

Note 17 : Borrowings	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
Non current			
Term loans from banks (Secured)			
- External Commercial Borrowing [refer note A(a) below]	-	-	1,859.46
From Related Parties (Unsecured)			
- Directors (refer note A (b) below)	-	1,118.42	-
Total (A)	**-**	**1,118.42**	**1,859.46**
Current			
From banks (Secured)			
- Cash credit (Refer Note A (c) below)		-	2,550.21
- Overdraft (Refer Note A (d) below)	-	817.79	1,500.00
From Related Parties (Unsecured)			
- Directors (refer note A (b) below)	-	1,986.62	4,397.54
Total (B)	**-**	**2,804.41**	**8,447.75**
Total (A+B)	**-**	**3,922.83**	**10,307.21**

A. Summary of borrowing arrangements

a) The External Commercial Borrowing consisted of two loans:

(i) First loan of US $ 20 lakhs was taken in August, 2012 and was repayable in 15 quarterly instalments of US$ 1.33 lakhs each (₹ 86.45 lakhs) commencing from 26.01.2014. The loan carried an interest rate of 8.45% p.a.

This loan was secured by way of 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.

ii) Second loan of US$ 60 lakhs was taken in January, 2014 and was repayable in six half yearly instalments. The loan carried an interest rate of 7.75% p.a.

This loan was secured by way of 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 tenure of the facility.

b) Unsecured loans from directors:

Unsecured term loans from directors was repayable upon call by the lender at anytime by giving an advance notice in writing of atleast one year to the borrower. The loan carried a interest rate of 8.65% - 10.60% p.a.

Unsecured short term loans from directors was repayable on demand. The loan was taken on an interest rate of 8.65 % - 8.95 % p.a.

c) Cash Credit

i) The Cash Credit facility has been secured by way of charge on inventories and book debts. There is an 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.

ii) The Cash Credit carries a rate of interest in the range of 8.8% -10.60% and is repayable on demand

d) Overdraft

Overdraft is secured against Fixed Deposits with bank carrying interest rate @ 8.15% p.a.

B. There have been no breach of covenants mentioned in the loan agreements during the reporting periods.

Note 18 : Trade payables	**As At March 31, 2018**	**As At March 31, 2017**	**As At April 01, 2016**
- Outstanding dues to micro and small enterprises	-	-	-
- Outstanding dues to parties other than micro and small enterprises	18,291.78	16,401.73	12,552.03
	18,291.78	**16,401.73**	**12,552.03**

a) Trade payables are non-interest bearing and are normally settled on 90-day terms. The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 40.

(b) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2018 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951, is as given below :

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006

	As At March 31, 2018	**As At March 31, 2017**	**As At April 01, 2016**
- Principal amount due	-	-	-
- Interest accrued and due on above	-	-	-
	-	-	-
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil	Nil
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil	Nil

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 19 : Other Financial Liabilities	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Current			
Current maturity of long term borrowing (refer note 17 A (a))	-	1,974.34	1,572.11
Interest accrued but not due on borrowings	-	46.63	101.24
Unpaid dividends (refer note (a) below)	41.96	45.63	45.91
Security deposit	37.05	41.28	41.73
Payables to capital creditors	437.28	312.98	492.02
Total (A+B)	**516.29**	**2,420.86**	**2,253.01**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act,2013 as at March 31, 2018, March 31, 2017 & April 1, 2016

Note 20 : Other Liabilities	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Deferred Revenue	218.26	235.77	200.45
Total (A)	**218.26**	**235.77**	**200.45**
Current			
Advance from Customers	796.01	823.61	575.07
Deferred Revenue	168.66	270.49	233.13
Statutory dues	1,906.91	1,030.65	1,145.51
Others	59.91	12.27	-
Total (B)	**2,931.49**	**2,137.02**	**1,953.71**
Total (A+B)	**3,149.75**	**2,372.79**	**2,154.16**

Note 21 : Provisions	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Provision for employee benefits			
Provision for Compensated Absences (refer note 35)	205.17	171.46	148.42
Total (A)	**205.17**	**171.46**	**148.42**
Current			
Provision for employee benefits			
Provision for Compensated Absences (refer note 35)	81.13	81.13	81.52
Provision for gratuity (refer note 35)	152.39	219.29	99.02
Total (B)	**233.52**	**300.42**	**180.54**
Total (A+B)	**438.69**	**471.88**	**328.96**

Note 21.1 Contingent Liabilities	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(a) Claims against the Company not acknowledged as debts			
i) Disputed State Tax Matters	69.94	65.90	0.90
ii) Disputed Excise Matters	12.74	12.71	5.44
iii) Disputed Service Tax Matters	50.63	8.09	11.07
iv) Disputed Income Tax Matters	84.86	164.31	102.33
v) Disputed Central Excise Matters	440.00	440.00	440.00
vi) Bill discounting	102.47	186.97	144.04
vii) Dispute with Vendor	10.55	10.55	4.80
viii) Others	33.00	13.69	-
(b) Foreign Letter of Credit	3,253.15	1,265.00	1,272.09

Notes:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 22 : Revenue from operations	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Sale of Product		
- Finished goods	113,040.92	115,792.74
- Traded Goods	6,744.71	6,146.91
	119,785.63	121,939.65
Sale of Service	29.16	2.10
Other Operating Revenues		
- Sale of scrap	611.09	552.41
- Design & development income	-	44.70
Revenue from operations	**120,425.88**	**122,538.86**

Note: Sale of goods includes excise duty collected from customers of ₹ 4881.31 Lakhs (March 31, 2017: ₹18,350.35 Lakhs).

According to the requirement of Ind-AS, revenue for the corresponding previous year ended March 31, 2017 was reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise duty, Service Tax and various other Indirect Taxes. Accordingly, per IND AS-18, the revenue for the year ended March 31, 2018 is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company would have been as follows:

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Revenue from Operations inclusive of Excise Duty (A)	120,425.88	122,538.86
Less: Excise Duty (B)	4,881.31	18,350.35
Net Revenue from Operations (A-B)	**115,544.57**	**104,188.51**

Note 23 : Other income	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Interest Income		
- Fixed deposits with banks	381.51	293.35
- Income tax refund	7.43	79.80
- Finance income	0.66	0.61
- Others	8.95	8.72
Dividend income from		
Non-current investment - trade	177.24	-
Profit on sale of current investments designated at FVTPL	346.06	164.42
Profit on sale of tools & assets (net)	352.18	233.02
Net Gain on Exchange fluctuation	146.37	14.33
Fair value gain on investment in mutual funds designated at FVTPL	193.69	269.58
Miscellaneous Income	85.21	240.95
	1,699.30	**1,304.78**

Note 24 : Cost of Raw Material Consumed	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Material		
Balance at the beginning of the Year	5,413.38	6,401.84
Add:- Purchases during the year	73,955.17	65,353.27
Less:- Transferred to stores and spares and consumables	-	109.89
Less:- Balances of Raw Material at the end of the Year	6,242.65	5,413.38
Total Cost of Raw Material Consumption	**73,125.90**	**66,231.84**

Note 25 : Purchase of Stock in Trade	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of Stock in Trade	6,060.51	5,189.74
	6,060.51	**5,189.74**

Note 26 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year		
Finished goods	13.91	2.59
Work- in- progress	1,536.53	1,743.87
Traded goods	0.84	-
(A)	1,551.28	1,746.46
Inventories at the end of the year		
Finished goods	-	13.91
Work- in- progress	1,782.28	1,536.53
Traded goods	-	0.84
(B)	1,782.28	1,551.28
(Increase) / Decrease in Inventory (A-B)	(231.00)	195.18

Note 27 : Employee benefits expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Wages & Other Benefits		
Salaries, wages & other benefits	7,057.06	6,251.67
Contribution to provident and other funds	394.00	346.43
Gratuity (refer note 35)	141.19	110.50
Staff welfare expenses	610.97	574.18
	8,203.22	**7,282.78**

Note 28 : Finance cost	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	201.50	671.76
Interest on delayed payment of taxes	11.50	14.46
Net Exchange loss on Foreign currency borrowing to the extent considered as an adjustment to interest cost	-	40.29
Other Borrowing Costs	-	33.06
	213.00	**759.57**

Note 29 : Depreciation and amortization expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment	3,897.71	4,486.08
Amortization of intangible assets	480.18	493.30
	4,377.89	**4,979.38**

Note 30 : Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumable tools	259.14	240.98
Power & fuel	1,270.85	1,324.15
Hire labour charges	5,800.68	5,126.69
Manufacturing expenses	113.87	157.38
Rent, rates & taxes	305.06	334.50
Incremental effect of excise duty on finished goods	-	1.26
Repair & maintenance		
-Repair to building	162.80	90.32
-Repair to plant & equipments	323.22	398.80
-Repair others	273.28	236.93
Fair value losses on derivatives not designated as hedged	111.36	158.13
Royalty	1.70	17.27
Research & development expenses (refer details 'c' below)	1,441.08	986.33
Travelling & conveyance	917.85	778.95
Insurance	75.55	77.62
Communication cost	62.00	66.19
Director's sitting fee & commission	13.02	13.67
Legal & professional expenses	783.24	566.25
CSR expenses (refer details 'b' below)	10.30	15.00
Warranty claim	52.27	188.08
Property, Plant and Equipment written off	16.90	-
Selling expenses	7.03	14.07
Packing material	259.29	161.35
Freight outward	648.70	578.70
Auditor's remuneration (refer details 'a' below)	13.66	28.37
Miscellaneous expenses	919.05	745.90
Total	**13,841.90**	**12,306.88**

a) **Details of payment made to auditors is as follows:**

Payment to auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor:		
- Statutory audit fee	8.50	12.90
- Tax audit fee *	5.00	3.76
In Other Capacity:		
- Certification Fees	-	2.15
- Taxation matter	-	8.95
- Reimbursement of Expenses	0.16	0.61
	13.66	**28.37**

* Tax audit fee for the year ended March 31, 2018 has been provided for other auditor.

b) **Details of Corporate Social Responsibility (CSR) expenditure is as follows:**

i) 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): ₹116.24 Lakhs (March 31, 2017: ₹ 64.54 lakhs)

ii) Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2018	For the year ended March 31, 2017
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	10.30	-
	Cash/ cheque payment to Hindu College	-	15.00
Amount yet to be spent		105.94	49.54
Total		**116.24**	**64.54**

iii) The Company does not carry any provisions for Corporate social responsibility expenses for year ended March 31, 2018 and previous year ended March 31, 2017.

c) **Research & Development Expenses**	For the year ended March 31, 2018	For the year ended March 31, 2017
Research & Development expenses include:		
- Purchases	67.18	25.98
- Salary, Wages and other allowance	567.07	450.83
- Travelling Expenses	106.96	81.78
- Design, Development and other expenses	699.87	427.74
	1,441.08	**986.33**

d) **Company's R&D Center at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the year 2005-06 to 2017-18**

Financial Year	Capital Expense	Revenue Expense
2007-08	-	189.59
2008-09	-	235.01
2009-10	28.5	127.62
2010-11	802.57	210.9
2011-12	787.84	351.17
2012-13	93.07	425.85
2013-14	2034.23	679.24
2014-15	79.63	656.03
2015-16	456.72	847.78
2016-17	217.47	986.33
2017-18	181.09	1441.08

Note 31: Exceptional Items	For the year ended March 31, 2018	For the year ended March 31, 2017
Pre- Operative Expenses Written Off	-	738.87
Diminution in value of asset held for sale	58.73	176.40
	58.73	**915.27**

Note:

(i) Relying on the judgment of Honourable Supreme Court of India in "Kedar Nath Yadav Vs. State of West Bengal & Ors." the Company had written off an amount of March 31, 2018:Nil (March 31, 2017:₹ 738.87) lakhs incurred in respect of setting up of Singur facility and disclosed the same under the head 'Exceptional item'.

(ii) Diminution in value of asset of ₹ 58.73 lakhs (March 31, 2017 ₹ 176.40 lakhs) has been recognized on reclassification of assets as held for sale as the fair value (estimated based on the recent market prices) is less than its carrying amount and had been disclosed the same under the head 'Exceptional item'.

Note 32: Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as below:

32.1 Income tax recognised in profit or loss

	As At March 31, 2018	As At March 31, 2017
Current tax		
a) In respect of current year	4,049.93	2,939.79
b) Adjustments in respect of current income tax of previous year	38.66	(262.36)
	4,088.59	2,677.43
Deferred tax		
In respect of current year	(274.89)	(639.26)
	(274.89)	(639.26)
Income tax expense recognised in the current year	**3,813.70**	**2,038.17**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As At March 31, 2018	As At March 31, 2017
Profit before tax	**11,593.72**	**7,632.65**
Tax at the Indian Tax Rate of 34.608% (March 31, 2017: 34.608%)	4,012.35	2,641.51
Adjustments in respect of current income tax of previous years	38.66	(262.36)
Effect of expenses that are not deductible in determining taxable profit	17.57	8.84
Weighted deduction for research and development expenses	(294.16)	(420.94)
Income not considered for tax purpose	(61.34)	0.00
Exceptional item not conidered for tax purpose	20.32	-
Others	80.30	71.12
Tax expenses recognised in statement of profit or loss	3,813.70	2,038.17

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.608% (March 31, 2017: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

32.2 Income tax recognised in other comprehensive income

	As At March 31, 2018	As At March 31, 2017
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	0.90	3.73
Total tax recognised in other comprehensive income	**0.90**	**3.73**
Bifurcation of the income tax recognised in other comprehensive income into : -		
- Items that will not be reclassified to profit or loss	0.90	3.73
- Items that may be reclassified to profit or loss	-	-
	0.90	**3.73**

Note 33: Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the Consolidated balance sheet

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deferred tax assets	100.01	309.16	836.68
Deferred tax liabilities	881.03	1,348.23	1,990.72
Net deferred tax liabilities	**781.02**	**1,039.07**	**1,154.04**

	As At April 1, 2016	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2017
Deferred tax assets				
Defined benefit obligation	-	-	3.48	3.48
Expenses deductible in future years	294.31	(3.27)	-	291.04
Deferred revenue	-	-	-	-
Others	-	0.04	-	0.04
Total deferred tax assets	**294.31**	**(3.23)**	**3.48**	**294.56**
MAT credit entitlement	**542.37**	**(527.77)**	**-**	**14.60**
Deferred tax liabilities				
Investment in mutual funds at FVTPL	1.45	91.85	-	93.30
Fair value losses on derivatives not designated as hedged	93.27	(54.73)	-	38.54
Borrowing at effective interest rate	16.30	(11.44)	-	4.86
Warranty claim	-	-	-	-
Property, plant and equipment and Intangible assets	1,879.70	(668.17)	-	1,211.53
Total deferred tax liabilities	**1,990.72**	**(642.49)**	**-**	**1,348.23**
Net deferred tax liabilities	**1,154.04**	**(111.49)**	**(3.48)**	**1,039.07**

	As At April 1, 2017	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2018
Deferred tax assets				
Defined benefit obligation	3.48	-	0.90	4.38
Expenses deductible in future years	291.04	(196.34)	-	94.70
Others	0.04	0.89	-	0.93
MAT credit entitlement	14.60	(14.60)	-	0.00
Total deferred tax assets	**309.16**	**(210.05)**	**0.90**	**100.01**
Deferred tax liabilities				
Investment in mutual funds at FVTPL	93.30	47.58	-	140.88
Fair value losses on derivatives not designated as hedged	38.54	(38.54)	-	-
Borrowing at effective interest rate	4.86	(4.86)	-	(0.00)
Property, plant and equipment and Intangible assets	1,211.53	(471.38)	-	740.15
Total deferred tax liabilities	**1,348.23**	**(467.20)**	**-**	**881.03**
Net deferred tax liabilities	**1,039.07**	**(257.15)**	**(0.90)**	**781.02**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 34 : Earnings per share (EPS)	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	8,797.12	6,089.56
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) **(B)**	**59.46**	**59.46**
Basic earnings per share (in ₹) - (A/B)	147.94	102.41
Diluted earnings per share (in ₹) - (A/B)	147.94	102.41

Note 35 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund/ Pension Fund	333.39	300.04
Employer's Contribution to Employee State Insurance	59.76	45.41
Employer's Contribution to Employee Welfare Fund	0.85	0.98
Total	**394.00**	**346.43**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" 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.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. 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 services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

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

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the year	880.43	252.59	732.56	229.94	605.30	178.83
Acquisition Adjustment						
Add: Interest cost	61.63	17.68	56.41	17.71	47.21	13.95
Add: Current service cost	113.73	51.50	102.88	47.27	93.24	68.78
Add: Past Service cost	26.51		-	23.98	-	-
Less: Benefits paid	(30.65)	(25.78)	(24.22)	(34.37)	(15.77)	(9.77)
Add: Actuarial (gain) / loss						
- Demographic assumptions	-	-	-	-	-	-
- Financial assumptions	(22.61)	(3.35)	25.83	27.88	3.12	0.54
- Experience adjustments	26.48	(6.34)	(13.03)	(59.82)	(0.54)	(22.39)
Present value of obligation as at the end of the year	**1,055.52**	**286.30**	**880.43**	**252.59**	**732.56**	**229.94**

d) Components of expenses recognised in the statement of profit or loss in respect of:

	As at March 31, 2018		As at March 31, 2017	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Current service cost	113.73	51.50	102.88	47.27
Past service cost	26.51	-	-	23.98
Interest cost	15.35	17.68	7.62	17.71
Remeasurements	-	(9.68)	-	(31.93)
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	-	-	-
Expenses recognised in profit/loss (Refer Note Below)	**155.59**	**59.50**	**110.50**	**57.03**

Note : Gratuity expense of ₹ 141.19 lakhs has been recognised in Statement of Profit & Loss and ₹ 14.40 Lakhs in R&D expenditure

e) Components of expenses recognised in the other comprehensive income in respect of:

	As at March 31, 2018		As at March 31, 2017	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Actuarial (gains) / losses				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	(22.61)	(3.35)	25.83	27.88
- experience variance	26.48	(6.34)	(13.03)	(59.82)
Return on plan assets, excluding amount recognised in net interest expense	(10.35)	-	(2.75)	-
Component of defined benefit costs recognised in other comprehensive income	**(6.48)**	**(9.69)**	**10.05**	**(31.94)**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

f) Changes in the fair value of the plan assets are as follows:

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	661.13	-	633.53	-	478.01	-
Add: Investment income	46.28	-	48.78	-	37.28	-
Add: Expected return on plan assets	10.35	-	2.75	-	5.93	-
Add: Employer's Contribution	216.01	-	0.29	-	128.08	-
Add: Employee's Contribution	-	-	-	-	-	-
Less: Benefits paid	(30.65)	-	(24.22)	-	(15.77)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-	-	-
Fair value of plan assets at the end	**903.12**	**-**	**661.13**	**-**	**633.53**	**-**

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

		As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions							
1	Discount rate	7.50%	7.50%	7.00%	7.00%	7.70%	7.70%
2	Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Demographic assumptions							
1	Expected average remaining working lives of employees (years)	23.78	23.78	24.28	24.22	26.7	26.63
2	Retirement Age (years)	58	58	58	58	58	58
3	Mortality Rate	**Indian Assured Lives Mortality (2006-08) (modified) ultimate**		**Indian Assured Lives Mortality (2006-08) (modified) ultimate**		**Indian Assured Lives Mortality (2006-08) (modified) ultimate**	
Withdrawal Rate							
1	Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
2	Ages from 30-44	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
3	Above 44 years	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	1,055.52	286.30	880.43	252.59	732.56	229.94
Fair value of plan assets	903.13	-	661.14	-	633.53	-
Net (assets) / liability	**152.39**	**286.30**	**219.29**	**252.59**	**99.02**	**229.94**
Classification into long term and short term:						
- Classified as long term	-	205.17	-	171.46	-	148.42
- Classified as short term	152.39	81.13	219.29	81.13	99.02	81.52
Total	**152.39**	**286.30**	**219.29**	**252.59**	**99.02**	**229.94**

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
A. Discount rate						
Effect on defined benefit obligation due to 1% increase in Discount Rate	(42.40)	(6.40)	(36.43)	(6.17)	(29.99)	(5.33)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	46.23	6.79	39.79	6.55	32.74	5.66
B. Salary escalation rate						
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	43.24	6.57	34.68	6.31	29.59	5.48
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(40.68)	(6.32)	(33.40)	(6.06)	(28.31)	(5.27)
C. Mortality rate						
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-	-	-

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
1 year	202.99	115.59	155.71	81.13	134.5	81.52
2 to 5 years	492.51	128.98	415.75	132.04	344.6	115.18
More than 5 years	360.02	41.73	308.97	39.42	253.5	33.24

k) Enterprise best estimate of contribution during next year is ₹ 127.85 lakhs.

Note 36 : Related party transactions

a) List of related parties:

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 Ventures
a) Mr. Kishan N Parikh (Chairman) b) Mr.Narinder Dev Relan (Co-Chairman)(upto June 02, 2016) c) Mrs.Sharda Relan (Whole Time Director)(w.e.f. August 10, 2016) d) Mr.Ajay Relan (Managing Director) e) Mr. Bireswar Mitra (Executive Director) f) Mr. Ram Prakash Chowdhary (Director) g) Mr. Ashok Kumar Bhattacharya (Director) h) Mr. Satindar Kumar Lambah (Director) i) Mr. Pradeep Rastogi (President - Legal & CFO)(upto August 10, 2016) j) Mr. Vivek Bhatia (CFO) (w.e.f. August 10, 2016) k) Mr. Nitin Vishnoi (Company Secretary)	Key Managerial Personnel

Name of the Related Party	Relationship
a) Mr.Rohit Relan (Son of Whole Time Director) b) Mrs.Sharda Relan (Wife of Co-Chairman)(upto August 10, 2016) c) Mrs.Mala Relan (Wife of Managing Director) d) Mrs.Ritu Relan (Daughter-in-law of Whole Time Director) e) Ms Aashita Relan (Daughter of Managing Director) f) Mr.Aashim Relan (Son of Managing Director) g) Mr.Rishabh Relan (Grand son of Whole Time Director) h) Mr.Pranav Relan (Grand son of Whole Time Director) i) Mr.Ayush Relan (Grand son of Whole Time Director)	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. h) Sharda CSR Foundation Trust	Enterprises over which Key Managerial Personnel are able to Exercise Significant Influence

(Currency: ₹ in Lakhs except otherwise stated)

S.No.	Nature of Transactions	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.	37,921.50	-	-	-
		(36,644.77)	(-)	(-)	(-)
ii)	**Loans taken during the year**				
	- N.D. Relan	-	-	-	-
		(-)	(-)	(0.25)	(-)
	- Ajay Relan	-	-	-	-
		(-)	(-)	(100.00)	(-)
	- Sharda Relan	-	-	-	-
		(-)	(-)	(50.00)	(-)
iii)	**Loan repaid during the Year**				
	- N.D. Relan	-	-	-	-
		(-)	(-)	(25.78)	(-)
	- Ajay Relan	-	-	1,084.72	-
		(-)	(-)	(1,108.33)	(-)
	- Rohit Relan	-	-	-	1,986.62
		(-)	(-)	(-)	(268.20)
	- Sharda Relan	-	-	33.70	-
		(-)	(-)	(40.45)	(-)
iv)	**Interest paid on loans during the Year**				
	- N.D. Relan	-	-	-	-
		(-)	(-)	(0.43)	(-)
	- Ajay Relan	-	-	71.19	-
		(-)	(-)	(174.06)	(-)
	- Rohit Relan	-	-	-	22.13
		(-)	(-)	(-)	(200.24)
	- Sharda Relan	-	-	1.30	-
		(-)	(-)	(3.54)	(-)

v)	**Rent paid during the Year**				
	-Sharda Auto Solutions Pvt. Ltd.	-	-	-	-
		(-)	(11.70)	(-)	(-)
	-Sharda Relan	-	-	-	-
		(-)	(-)	(57.45)	(-)
	-Sharda Enterprises	-	154.77	-	-
		(-)	(151.69)	(-)	(-)
vi)	**Remuneration paid**				
	- N.D. Relan	-	-	-	-
		(-)	(-)	(62.40)	(-)
	- Ajay Relan	-	-	506.05	-
		(-)	(-)	(396.73)	(-)
	-Sharda Relan	-	-	463.60	-
		(-)	(-)	(256.66)	(-)
	-B. Mitra	-	-	21.76	-
		(-)	(-)	(18.20)	(-)
vii)	**Salary Paid**				
	-Pradeep Rastogi	-	-	-	-
		(-)	(-)	(11.00)	(-)
	-Nitin Vishnoi	-	-	17.89	-
		(-)	(-)	(17.15)	(-)
	-Mala Relan	-	-	-	13.61
		(-)	(-)	(-)	(13.61)
	-Vivek Bhatia	-	-	100.48	-
		(-)	(-)	(59.70)	(-)
	-Aashim Relan	-	-	-	128.60
		(-)	(-)	(-)	(48.93)
viii)	**Reimbursements of Expenses**				
	-Bireswar Mitra	-	-	4.69	-
		(-)	(-)	(4.53)	(-)
	-Nitin Vishnoi	-	-	6.88	-
		(-)	(-)	(6.70)	(-)
	-Vivek Bhatia	-	-	7.27	-
		(-)	(-)	(5.11)	(-)
ix)	**Dividend Paid**				
	- Ajay Relan	-	-	240.50	-
		(-)	(-)	(241.73)	(-)
	- Nitin Vishnoi	-	-	0.13	-
		(-)	(-)	(0.13)	(-)
	-Bireswar Mitra	-	-	0.07	-
		(-)	(-)	(0.06)	(-)
	-Rohit Relan	-	-	-	53.60
		(-)	(-)	(-)	(53.60)
	-Aashim Relan	-	-	-	37.66
		(-)	(-)	(-)	(37.61)
	-Ayush Relan	-	-	-	10.78
		(-)	(-)	(-)	(13.00)
	-Pranav Relan	-	-	-	13.83
		(-)	(-)	(-)	(16.12)
	-Rishabh Relan	-	-	-	17.50
		(-)	(-)	(-)	(19.81)

	-Mala Relan	-	-	-	63.39
		(-)	(-)	(-)	(62.09)
	-Ritu Relan	-	-	-	92.82
		(-)	(-)	(-)	(92.82)
	-Aashita Relan	-	-	-	2.06
		(-)	(-)	(-)	(1.37)
	-Ajay Relan(HUF)	-	2.40	-	-
		(-)	(2.40)	(-)	(-)
	-ND Relan (HUF)	-	3.75	-	-
		(-)	(3.75)	(-)	(-)
	-Rohit Relan (HUF)	-	5.55	-	-
		(-)	(5.55)	(-)	(-)
	-RIFL	0.01	-	-	-
		(0.07)	(-)	(-)	(-)
x)	**Sitting Fees Paid**				
	- Kishan N Parikh	-	-	-	3.60
		(-)	(-)	(-)	(3.40)
	-Sharda Relan	-	-	-	-
		(-)	(-)	(-)	(0.80)
	-Rohit Relan	-	-	-	0.80
		(-)	(-)	(-)	(0.40)
	-Ram Prakash Chowdhary	-	-	-	2.60
		(-)	(-)	(-)	(2.40)
	-Ashok Kumar Bhattacharya	-	-	-	1.60
		(-)	(-)	(-)	(2.40)
	-Satinder Kumar Lambah	-	-	-	4.41
		(-)	(-)	(-)	(4.20)
xi)	**Sale of Fixed Assets**				
	-Bharat Seats Limited	185.44	-	-	-
		(169.27)	(-)	(-)	(-)
xii)	**CSR Expenditure paid**				
	-Sharda CSR Foundation Trust	-	10.30	-	-
		(-)	(-)	(-)	(-)
xiii)	**Expenses paid**				
	- A.N.I Hospitality LLP	-	0.73	-	-
		(-)	(1.28)	(-)	(-)
	-Toyota Boshoku Relan India (P) Ltd.	-	-	-	-
		(57.50)	(-)	(-)	(-)
xiv)	**Advance Received from Customers**				
	-Bharat Seats Limited (Tooling Advance)	-	-	-	-
		(228.62)	(-)	(-)	(-)
xv)	**Purchases during the year**				
	-Toyo Sharda India (P) Ltd.	545.35	-	-	-
		(527.13)	(-)	(-)	(-)
	-Bharat Seats Limited	259.39	-	-	-
		(-)	(-)	(-)	(-)
xvi)	**Advance Adjusted**				
	-Bharat Seats Limited	-	-	-	-
		(219.85)	(-)	(-)	(-)
xvii)	**Dividend Received**				
	-Bharat Seats Limited	81.00	-	-	-
		(81.00)	(-)	(-)	(-)

xviii)	**Net Outstanding Balance payable as on 31.03.2018**				
	-ND Relan	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(93.51)	(-)
	- Ajay Relan	-	-	161.16	-
		(-)	(-)	(1,091.96)	(-)
		(-)	(-)	(2,153.17)	(-)
	-B.Mitra	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(1.11)	(-)
	-Pradeep Rastogi	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(1.58)	(-)
	-Nitin Vishnoi	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(0.96)	(-)
	-Rohit Relan	-	-	-	-
		(-)	(-)	(-)	(1,999.76)
		(-)	(-)	(-)	(2,272.87)
	-Sharda Relan	-	-	128.93	-
		(-)	(-)	(33.91)	(-)
		(-)	(-)	(29.56)	(-)
	-Mala Relan	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(-)	(0.61)
	-Aashim Relan	-	-	-	-
		(-)	(-)	(-)	(-)
		(-)	(-)	(-)	(1.08)
xix)	**Balance Receivable as on 31.03.2018**				
	-Bharat Seats Limited	3,074.01	-	-	-
		(3,312.76)	(-)	(-)	(-)
		(3,918.70)	(-)	(-)	(-)
xx)	**Balance Payable as on 31.03.2018**				
	-Toyota Boshoku Relan India (P) Ltd.	98.85	-	-	-
		(98.85)	(-)	(-)	(-)
		(46.49)	(-)	(-)	(-)
	-Toyo Sharda India (P) Ltd.	46.05	-	-	-
		(75.48)	(-)	(-)	(-)
		(43.24)	(-)	(-)	(-)

Notes:

1) Figures in bracket represents figures of 31st March, 2017 and figures in Italics & Brackets represents figures of April 1, 2016.

2) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 37: Operating Lease Arrangements

The Company has entered into operating lease arrangements for various lands and building. These arrangements are non-cancellable in nature and range between five to twenty years. Lease rental amounting to ₹ 304.34 lakhs (March 31, 2017: ₹ 275.31 lakhs) has been expensed out in Statement of Profit and Loss in note 30 as 'Rent, Rates & Taxes' under 'Other expenses'. The future minimum lease commitments under non-cancellable operating leases are as under:

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
Not Later Than 1 year	129.00	174.82	242.67
Later than 1 year but not later than 5 years	337.00	346.02	551.06
More than 5 years	237.86	355.95	393.75
Total	**703.86**	**876.79**	**1,187.48**

Note 38: Financial and Derivative Instruments	No of Contracts	As At March 31, 2018	No of Contracts	As At March 31, 2017	No of Contracts	As At April 1, 2016
Foreign currency exposure hedged by derivative instruments	-	-	2	1,988.38	2	3,478.66
Foreign currency exposure that are not hedged by derivative instruments (Sell)	-	1,032.76	-	1,289.01	-	714.95
Foreign currency exposure that are not hedged by derivative instruments (Buy)	-	1,675.42	-	1,594.09	-	1,316.52

i. Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
Foreign Currency Exposure not hedged (Sell)	USD 15.88 lakhs	1,032.76	USD 18.17 lakhs	1,185.44	USD 10.77 lakhs	714.95
	-		EURO 0.75 lakhs	52.26	-	-
	-		GBP 0.18 lakhs	14.95	-	-
	-		AED 2.06 lakhs	36.36	-	-
		1,032.76		1,289.01		714.95
Foreign Currency Exposure not hedged (Buy)	USD 25.68 lakhs	1,670.05	USD 24.51 lakhs	1,589.46	USD 19.85 lakhs	1,316.52
	EURO 0.06 lakhs	5.22	EURO 0.06 lakhs	4.48	-	-
	JPY 0.25 lakhs	0.15	JPY 0.25 lakhs	0.15	-	-
		1,675.42		1,594.09		1,316.52

ii. Particulars of hedged Foreign Currency Exposure as at Balance Sheet date :	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
- CTBC ECB Loan US$ 60 lakhs	-	-	USD 28.00 lakhs	1,815.48	USD 48.00 lakhs	2,988.00
- CITI Bank ECB Loan US$ 20 lakhs	-	-	USD 2.67 lakhs	172.90	USD 8.00 lakhs	490.66
		-		1,988.38		3,478.66

Note 39 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.

2. Major Customer: Revenue from 3 customers of the Company's manufacturing & trading business are ₹ 92,878.58 lakhs (March 31, 2017 ₹ 91,395.60 lakhs) which is more than 10 percent of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2018 and March 31, 2017.

Note 40 : Financial instruments - fair values and risk management

40.1 Financial instruments by category and fair values

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Non-current									
Investments in equity instrument *	-	-	1.75	-	-	0.57	-	-	-
Investment in others	-	-	-	-	-	-	1.01	-	-
Other financial assets									
- Security deposits	-	-	279.70	-	-	220.33	-	-	193.36
- Deposits with original maturity of more than 12 months	-	-	5.00	-	-	5.00	-	-	5.00
- Interest accrued on fixed deposits	-	-	-	-	-	0.05	-	-	-
- Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	-	-	-	-	-	269.50	-	-
Current									
Investments in mutual fund	10,407.08	-	-	7,796.54	-	-	2,897.98	-	-
Trade receivables	-	-	12,240.73	-	-	10,806.98	-	-	10,012.73
Cash and cash equivalents	-	-	2,200.73	-	-	582.36	-	-	251.79
Bank balances other than above	-	-	5,170.17	-	-	5,403.83	-	-	3,446.92
Other financial assets									
- Security deposits	-	-	-	-	-	-	-	-	-
- Staff advance	-	-	25.72	-	-	10.57	-	-	18.66
- Interest accrued on fixed deposits	-	-	125.36	-	-	146.62	-	-	114.90
- Interest accrued on others	-	-	0.57	-	-	2.73	-	-	-
- Receivable from related parties	-	-	8.62	-	-	8.62	-	-	8.62
- Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	-	-	111.36	-	-	-	-	-
- Other receivables	-	-	-	-	-	951.38	-	-	-
Total	**10,407.08**	**-**	**20,058.35**	**7,907.90**	**-**	**18,139.04**	**3,168.49**	**-**	**14,051.98**
Financial liabilities									
Non-current									
Borrowings	-	-	-	-	-	1,118.42	-	-	1,859.46
Other financial liabilities	-	-	-	-	-	-	-	-	-
Current									
Borrowings	-	-	-	-	-	2,804.41	-	-	8,447.75
Trade payables	-	-	18,291.78	-	-	16,401.73	-	-	12,552.03
Other financial liabilities									
- Current maturity of long term borrowing	-	-	-	-	-	1,974.34	-	-	1,572.11
- Interest accrued	-	-	-	-	-	46.63	-	-	101.24
- Unpaid dividend	-	-	41.96	-	-	45.63	-	-	45.91
- Security deposit	-	-	37.05	-	-	41.28	-	-	41.73
- Capital creditors	-	-	437.28	-	-	312.98	-	-	492.02
Total	**-**	**-**	**18,808.07**	**-**	**-**	**22,745.42**	**-**	**-**	**25,112.25**

* Investment value excludes investment in associates of ₹ 139 lakhs (March 31, 2017 : ₹ 139 lakhs and April 01, 2016: ₹ 139 lakhs) and investment in joint ventures of ₹ 75.50 lakhs (March 31, 2017 : ₹ 75.50 lakhs and April 01, 2016 : ₹ 75.50 lakhs), which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

Note: The directors consider that the carrying amounts of investments in equity shares of other and in trust, which have been recognised in the financial statements, as approximate their fair values.

Financial assets and liabilities measured at fair value - recurring fair value measurements (refer note 3.12)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets			
Level 1	-	-	-
Level 2			
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	111.36	269.50
- Financial instruments at FVTPL: Investments in mutual fund	10,407.08	7,796.54	2,897.98
Level 3			
- Financial instruments at FVTPL: Investment in other	-	-	1.01
Total financial assets	**10,407.08**	**7,907.91**	**3,168.49**

40.2 Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of options, cross currency and interest rate swap contract & investments in mutual funds.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are investments in unquoted equity instruments and other investment.

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds: Fair value is determined by reference to quotes, i.e. net asset value (NAV) for investments in mutual funds as declared.

(ii) Derivative contracts: The Company has entered into variety of foreign currency Options and interest rate swap contract to manage its exposure to fluctuations in foreign exchange rates and interest risk. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

(iii) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.

(iv) Fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

(v) Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

(vi) Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant, as the discount rate has not changed significantly.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

40.3 Capital management

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows:

	March 31, 2018	March 31, 2017	April 01, 2016
Total liabilities	23,177.52	26,629.16	28,749.42
Less: Cash and Cash equivalents	2,200.73	582.36	251.79
Adjusted net debt	20,976.79	26,046.80	28,497.63
Total equity	38,452.39	30,550.09	25,386.97
Adjusted net debt to equity ratio	0.55	0.85	1.12

40.4 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

The Company's principal financial liabilities other than derivatives comprise trade and other payables, borrowings, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury deaprtment which has appropriate skills, experience and supervision. The policy provides that the Company should hedge through prescribed instruments to cover all possible risks of foreign currency outstanding after considering the natural hedge available and customer arrangements. It also prohibits any hedging for speculative transactions.

A. <u>Market risk</u>

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar. The Company uses options, cross currency and interest rate swap contracts to hedge its currency risk on borrowings as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

Exposure to currency risk:

(Amount in Lakhs except otherwise specified)

March 31, 2018	**USD**	**EURO**	**GBP**	**AED**	**JPY**
Foreign currency exposure not hedged (Sell)	15.88	-	-	-	-
Foreign currency exposure not hedged (Buy)	25.68	0.06	-	-	0.25
Derivative contract outstanding	-	-	-	-	-
March 31, 2017	**USD**	**EURO**	**GBP**	**AED**	**JPY**
Foreign currency exposure not hedged (Sell)	18.17	0.75	0.18	2.06	-
Foreign currency exposure not hedged (Buy)	24.51	0.06	-	-	0.25
Derivative contract outstanding	30.67	-	-	-	-
April 01, 2016	**USD**	**EURO**	**GBP**	**AED**	**JPY**
Foreign currency exposure not hedged (Sell)	10.77	-	-	-	-
Foreign currency exposure not hedged (Buy)	19.85	-	-	-	-
Derivative contract outstanding	56.00	-	-	-	-

Sensitivity analysis:

A reasonably possible strengthening (weakening) of USD against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	(Profit) / Loss	
March 31, 2018	**Strengthening**	**Weakening**
USD (5% movement)	(31.86)	31.86
EUR (5% movement)	(0.26)	0.26
JPY (5% movement)	(0.01)	0.01
March 31, 2017		
USD (5% movement)	(20.20)	20.20
EUR (5% movement)	2.39	(2.39)
GBP (5% movement)	0.75	(0.75)
JPY (5% movement)	(0.01)	0.01
AED (5% movement)	1.82	(1.82)
April 01, 2016		
USD (5% movement)	(30.08)	30.08

h USD: US Dollar, EUR: Euro, GBP: Great Britain Pound, JPY: Japan Yen and AED: United Arab Emirates Dirham

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers, foreign exchange transactions, deposits with banks and other financial instruments. The carrying amount of financial assets represent the maximum credit risk exposure.

i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customer:

- Original equipment manufacturers (OEMs)

Company has established a policy under which each new OEMs are analysed individually for creditworthiness before goods are sold to them. The Company's review includes due diligence by analysing financial statements, industry information, promoter's background and in some cases bank references. In case of sales, the Company has limited its credit exposure to OEMs and dealers by providing a maximum payment period up to 60 days.

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of April 01, 2016	-	10,012.73	-	10,012.73
Trade Receivables as of March 31, 2017	-	10,806.98	-	10,806.98
Trade Receivables as of March 31, 2018	-	12,240.73	-	12,240.73

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

However,Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments	13,572.96	10,029.59	4,742.64
Security deposits	279.70	220.33	193.36
Deposit with original maturity of more than 12 months	5.00	5.00	5.00
Interest accrued	125.36	146.67	114.90
Options, cross currency and interest rate swap contract not designated in hedge accounting relationships	-	111.36	269.50
Staff Advance	25.72	10.57	18.66
Interest accrued others	0.57	2.73	-
Receivable from related parties	8.62	8.62	8.62
Receivable on sale of investment	-	951.38	-
Total	**14,017.93**	**11,486.25**	**5,352.68**

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's primary sources of liquidity include cash deposits,short term investments in mutual funds, borrowings, undrawn committed credit facilities and cash flow from operating activities. The Company seeks to increase income from its existing operations by maintaining quality standards for its goods and services while reducing the related costs and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. However, material changes in the factors described above may adversely affect the Company's net cash flows.

As on March 31, 2018, Company doesn't have any outstanding borrowings

Exposure to liquidity risk:

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

			Contractual cash flow		
March 31, 2018	**Carrying amount**	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
Borrowings	-	-			
Interest accrued	-	-	-	-	-
Capital creditors	437.28	437.28	437.28	-	-
Trade payables	18,291.78	18,291.78	18,291.78	-	-
Unpaid dividends	41.96	41.96	41.96	-	-
Security deposit	37.05	37.05	37.05	-	-
	18,808.07	18,808.07	18,808.07	-	-

Derivative financial liabilities					
Options, cross currency and interest rate swap-ECB Loan	-	-	-	-	-
	-	-	-	-	-

March 31, 2017			**Contractual cash flow**		
	Carrying amount	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
Borrowings	3,922.83	3,922.83	2,804.41	1,118.42	-
Interest accrued	46.63	46.63	46.63	-	-
Capital creditors	312.98	312.98	312.98	-	-
Trade payables	16,401.73	16,401.73	16,401.73	-	-
Unpaid dividends	45.63	45.63	45.63	-	-
Security deposit	41.28	41.28	41.28	-	-
	20,771.08	20,771.08	19,652.66	1,118.42	-
Derivative financial liabilities					
Options, cross currency and interest rate swap-ECB Loan	1,974.34	1,974.34	1,974.34	-	-
	1,974.34	1,974.34	1,974.34	-	-

			Contractual cash flow		
April 01, 2016	**Carrying amount**	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
Borrowings	8,447.75	8,447.75	8,447.75	-	-
Interest accrued	101.24	101.24	101.24	-	-
Capital creditors	492.02	492.02	492.02	-	-
Trade payables	12,552.03	12,552.03	12,552.03	-	-
Unpaid dividends	45.91	45.91	45.91	-	-
Security deposit	41.73	41.73	41.73	-	-
	21,680.68	21,680.68	21,680.68	-	-
Derivative financial liabilities					
Options, cross currency and interest rate swap-ECB Loan	3,431.57	3,431.57	1,572.11	1,859.46	
	3,431.57	3,431.57	1,572.11	1,859.46	-

Note 41: First time adoption of Ind AS

As stated in note 2, the financial statements for the year ended March 31, 2018 would be the first annual financial statements prepared in accordance with Ind AS. For year up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However this principle is subject to certain exception and certain optional exemption availed by the Company. The Company has applied the following exemptions apart from mandatory exceptions in Ind AS 101:

a) Mandatory exceptions

i) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS or as at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the I GAAP unless there is a objective evidence that those estimates were in error. However the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under I GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of comparative period, as the case may be.

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the I GAAP are as follows:

- Fair valuation of financial instruments carried at FVTPL.

- Determination of the discounted value for financial instruments carried at amortized cost

ii) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

b) Optional exemptions

i. Property, Plant and Equipment and Intangible Assets

As permitted by Ind AS 101 - First-time Adoption of Indian Accounting Standards, the Company has elected to continue with carrying values under IGAAP for all items of Property, Plant and Equipment and intangible assets. The carrying values of Property, Plant and Equipment and capital work in progress as aforesaid are after making adjustments relating to de-commissioning liabilities, if any.

ii. Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has elected to avail of the above exemption.

iii. Investments in Joint Controlled Entities and Associates in separate financial statements

In accordance with Ind-AS transitional provisions, the Company opted to consider previous GAAP carrying value of investments as deemed cost on transition date for investments in Joint Ventures and Associates in separate financial statement.

c) Other Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represents the reconciliations from previous GAAP to Ind AS

i. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

	Reference Note No.	March 31, 2017	April 1, 2016
Total Equity (shareholder's funds) as per Previous GAAP		30,202.45	24,677.68
Adjustments:			
Financial Assets Measured as FVTPL	1	277.76	4.18
Derivative measured at MTM	2	111.36	269.50
Warranty Claim	-	122.41	37.37
Deferred Revenue	10	(72.67)	-
Financial Liabilities Measured at Amortized Cost	-	14.05	47.09
Proposed Dividend	4	-	447.31
Lease Equalisation Reserve	7	3.09	0.61
Prior Period Expense	9	-	(3.67)
Other Ind AS Adjustments	12	(0.11)	-
Share of profit of Associates and Joint Ventures	11	32.31	18.13
Deferred Tax Adjustments	13	(140.56)	(111.23)
Total Adjustments		**347.64**	**709.29**
Total Equity (shareholder's funds) as per Ind AS		**30,550.09**	**25,386.97**

ii. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

	Reference Note No.	March 31, 2017
Net Profit as per Previous GAAP		5,968.69
Adjustments:		
Financial Assets Measured as FVTPL	1	273.58
Derivative measured at MTM	2	(158.13)
Warranty Claim	-	85.04
Deferred Revenue	10	(72.67)
Financial Assets Measured At Amortized Cost	-	(33.06)
Lease Equalisation Reserve	7	2.49
Prior Period Expense	9	3.67
Remeasurement Impact of Retirement Benefits	5	10.05
Other Ind AS Adjustments	12	(0.11)
Share of profit of Associates and Joint Ventures	11	42.82
Deferred Tax Adjustments	13	(32.81)
Total Adjustments		**120.87**
Net Profit as per Ind AS		**6,089.56**
Other Comprehensive Income (net of tax)		(8.69)
Total Comprehensive Income for the period under Ind AS		**6,080.87**

iii. Reconciliation of Statement of Cash Flow for the year ended March 31, 2017

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from/(used in) operating activities	15,711.88	719.93	16,431.81
Net Cash flow from/(used in) investing activities	(7,280.86)	(1,129.16)	(8,410.02)
Net Cash flow from/(used in) financing activities	(8,100.75)	409.53	(7,691.22)
Net Increase/(Decrease) in cash and cash equivalents	**330.27**	**0.30**	**330.57**
Cash and Cash equivalents at the beginning of the period	251.79	-	251.79
Cash and Cash equivalents at the March 31, 2017	**582.06**	**0.30**	**582.36**

Notes to First Time Adoption:

1) Fair Value through profit & loss

Under previous GAAP, investments in long term equity instruments are shown at cost and tested for provision other than temporary diminution. As per Ind AS 109, such investments are measured at fair value through profit & loss (FVTPL) and resultant gain/(loss) is recognised in statement of profit & loss.

2) Mark to Market on derivative instruments

Under the previous GAAP, the premium or discount arising at the inception of forward contracts are amortised as an expense in statement of profit & loss. As per Ind AS 109, such derivative contracts are marked to market at reporting date and resultant gain/(loss) is recognised in statement of profit & loss.

3) Effective interest rate adjustment on borrowings

As per Ind AS 109 requires transaction costs incurred towards origination of borrowings to be dedcuted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit & loss over the tenure of the borrowings as part of finance cost by applying the effective interest method. Under previous GAAP, these transactions were charged to statement of profit & loss on straight line basis over the period of loan.

4) Proposed Dividend

Under Previous GAAP, proposed dividends and related the dividend distribution tax are recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company.

5) Retirement Benefits

Actuarial gain/(loss) - Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans has been recognised in Statement of Profit and Loss as an exceptional item. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.

6) Discounting of security deposits for leases

Under Previous GAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'.

7) Lease Equalisation Reserve

Under Previous GAAP, lease payments are required to be recognised on a straight-line basis over the term of the lease. Under Ind AS, lease payments which are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, are required to be recognised as an expense in line with its contractual term. Accordingly, the provision for scheduled increases on operating lease recognised under Previous GAAP has been written back under Ind AS.

8) Reclassification adjustment (Mat credit entitlement and excise duty)

MAT credit entitlement: Under previous GAAP, MAT credit entitlement was being shown separately under the head "Loans and Advances" whereas under Ind AS, the same is required to be shown under the head "Deferred tax asset"

Excise duty: Under previous GAAP, revenue form operations was shown net of excise duty, whereas as per Ind AS excise duty paid should be presented as a separate line item under the head 'Expenses' on the face of the Statement of Profit and Loss.

9) Prior period expenses

Under previous GAAP, prior period items was required to be disclosed separately in the financial statements. However, as per Ind AS, Company is required to adjust material prior period errors retrospectively by restating the comparative amounts for the earliest prior period presented. Further, where the amount of prior period pertains to the period before the earliest prior period presented, opening balances of the earliest period presented are to be restated.

10) Deferment of Revenue

Under Ind AS, Income from services including the associated selling cost is deferred over the respective years to which they pertain. Such income is recognised on straight line basis over the warranty period and the associated service claim cost is recognised as an when incurred and no provision is recognised for warranty cost whereas under previous GAAP, provision for warranty were made and revenue against the same had been recognised in full in the year of sale.

11) Investment in joint ventures

Under Ind AS, joint ventures are consolidated on equity method as required under Ind AS 28 while under previous GAAP joint ventures are consolidated on proportionate consolidation method.

12) Other Ind AS Adjustments

Other adjustments include adjustments on various matters which have not been disclosed separately considering the materiality of the amounts involved.

13) Deferred Tax Adjustments

Retained earnings and statement of profit & loss has been adjusted consequent to the Ind AS transition adjustments with corresponding imoact to deferred tax, wherever applicable.

Note 42 : In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 43 : Events occurring after balance sheet date

There are no major events which has occurred after the balance sheet date.

Note 44 : Alignment of accounting policy for consolidation

In case of Toyo Sharda India Private Limited, the joint venture, depreciation on property, plant and equipment has been provided on straight line method as per the rates 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 impracticable to harmonise, therefore adjustment for the same has not been made in the consolidation financial statements

Note 45 : Investments In Associates and Joint Ventures (Disclosure as per Indian Accounting Standard - 28 on Financial Reporting of Investments In Associates and Joint Ventures)

S. No.	Name of Company	Relationship	Ownership Interest	Country of Residence
1	Bharat Seats Limited	Associate	28.66%	India
2	Relan Industrial Finance Limited	Associate	47.12%	India
3	Toyota Boshoku Relan India Pvt. Ltd.	Joint Venture	50.00%	India
4	Toyo Sharda India Pvt. Ltd.	Joint Venture	50.00%	India

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as /Associates/ Joint Ventures.

Particulars	Net Assets (Total Assets less Total Liability)						Share in Profit & Loss			
	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016		FY 2017-18		FY 2016-17	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Parent Company										
Sharda Motor Industries Limited	92.33%	35,502.77	93.39%	28,532.12	93.51%	23,739.55	88.49%	7,784.25	91.89%	5,587.91
Associates										
Bharat Seats Limited	6.54%	2,513.63	5.86%	1,791.49	6.01%	1,525.78	9.13%	803.14	5.70%	346.71
Relan Industrial Finance Limited	0.55%	210.81	0.46%	140.13	0.52%	132.69	0.80%	70.68	0.42%	25.71
Joint Venture										
Toyota Boshoku Relan India Pvt. Ltd.	0.00%	0.10	0.00%	0.65	0.00%	(0.50)	-0.01%	(0.55)	0.40%	24.29
Toyo Sharda India Pvt. Ltd.	0.59%	225.08	0.28%	85.70	-0.04%	(10.55)	1.58%	139.38	1.58%	96.25
Total	**100.00%**	**38,452.39**	**100.00%**	**30,550.09**	**100.00%**	**25,386.97**	**100.00%**	**8,796.90**	**100.00%**	**6,080.87**

Note 46 : Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

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

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

Place of Signature: Nashik, Maharashtra
Date: May 26, 2018

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

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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

33 ANNUAL GENERAL MEETING
ATTENDANCE SLIP

S.No. :

Folio No./DP ID/Client ID	:
Name :	:
Address	:
Shareholder Joint 1	:
Shareholder Joint 2	:
No. of Shares Held	:
PAN No./Sequence No.	:

I/We hereby record my/our presence at the 33 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 Thursday, the 27th September, 2018 at 12:00 Noon (IST).

Folio No./DP ID/Client ID	Member’s / Proxy’s name in Block letters	Member’s/Proxy’s signature

Note:

1. Please complete the Folio No./DP ID/Client ID 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 2017-18 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 addresses 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 2017-18 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 addresses are not registered or who have requested for a hard copy.

E-VOTING PARTICULARS

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

Note: Please read instructions given under Note to the Notice of 33rd 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
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
Email: investorrelations@shardamotor.com Website: www.shardamotor.com

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/her;

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

E-mail id……………………………………...........Signature…………………………………or failing him/her;

(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 33 Annual General Meeting of the Company to be held on Thursday, 27th September, 2018 at 12:00 Noon (IST) at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	To receive, consider and adopt the audited financial statements (Standalone and consolidated) of the Company for the financial year ended 31st March, 2018 along with the reports of the Board of Directors (Standalone) and Auditors thereon.
2	To declare a final dividend for the financial year 2017-18.
3	To appoint a Director in place of Shri Rohit Relan (DIN: 00257572), who retires by rotation, being eligible and offers himself for re-appointment.
4	To appoint a Director in place of Shri Bireswar Mitra (DIN: 06958002), who retires by rotation, being eligible and offers himself for re-appointment.
5	To ratify the remuneration to be paid to M/s Gurdeep Singh & Associates, Cost Auditors of the Company.

Signed this ………………day of ………………….2018

Signature of shareholder ………………………………..

Affix Re 1.00 Revenue Stamp

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 33 Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.

SHARDA MOTOR INDUSTRIES LIMITED

CIN: L74899DL1986PLC023202

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