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

MEETING OF EQUITY SHAREHOLDERS
OF
SHARDA MOTOR INDUSTRIES LIMITED

(convened pursuant to order dated October 10, 2019, passed by the National Company Law Tribunal, New Delhi Bench (NCLT))

MEETING:

Day	Wednesday
Date	November 20, 2019
Time	12.00 P.M.
Venue	PHD Chamber of Commerce, PHD House, 4/2, August Kranti Marg, Siri Institutional Area, New Delhi – 110016
REMOTE E-VOTING	
Start Date:	09:00 A.M on Monday, October 21, 2019
End Date:	05:00 P.M on Tuesday, November 19, 2019

INDEX

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

NEW DELHI BENCH

COMPANY PETITION NO. CA (CAA)- 137 (PB) / 2019

In the matter of the Companies Act, 2013;

And

In the matter of sections 230 to 232 read with Section 66 and other provisions of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between

SHARDA MOTOR INDUSTRIES LIMITED, a public company incorporated under the provision of Companies Act, 1956, having its Registered Office atD-188, Okhla Industrial Area, Phase-I, New Delhi - 110020

…………………Applicant Company-1/ Demerged Company/ SMIL

AND

NDR AUTO COMPONENTS LIMITED, a public company incorporated under the provision of Companies Act, 2013, having its registered office at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020

…………………Applicant Company-2/ Resulting Company/ NACL

AND

Their respective shareholders and creditors

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF SHARDA MOTOR INDUSTRIES LIMITED

To,

The Equity Shareholders of Sharda Motor Industries Limited ("SMIL"),

Notice is hereby given that pursuant to an order dated October 10, 2019, the New Delhi Bench of the Hon'ble National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the equity shareholders of Sharda Motor Industries Limited for the purpose of considering, and if thought fit, approving with or without modifications, the scheme of arrangement between Sharda Motor Industries Limited ("SMIL" or "Demerged Company" or "Applicant Company-1") and NDR Auto Components Limited ("NACL" or "Resulting Company or "Applicant Company-2") and their respective shareholders and creditors, providing for transfer and vesting of Automobile Seating Undertaking of SMIL as a going concern to its wholly owned subsidiary i.e. NACL under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the "Scheme").

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the equity shareholders of SMIL will be held at PHD Chamber of Commerce, PHD House, 4/2, August Kranti Marg, Siri Institutional Area, New Delhi 110016 on Wednesday, November 20, 2019 at 12.00 P.M. at which time and place the said equity shareholders are requested to attend.

Copies of the aforesaid Scheme of Arrangement and of the statement required under Section 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement") is annexed to this Notice and can also be obtained free of charge from the registered office of SMIL. Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of SMIL at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020 not later than 48 hours before the meeting.

A blank proxy form is annexed to this Notice and can also be obtained free of charge from the registered office of the Company on any day (except Saturday, Sunday and public holidays).

Take Further Notice that in compliance with the provisions of (i) Section 230(4) read with Section 108 of the Companies Act, 2013 (ii) Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rule, 2014; (iv) Regulation 44 and other applicable provision of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and (v) Circular No. CFD/DIL 3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India (referred to as SEBI Circular), SMIL has provided the facility of voting so as to enable the equity shareholders to consider and approve the Scheme by way of aforesaid resolution through E voting. Accordingly, voting by equity shareholders of SMIL to the Scheme shall be carried out through the remote e-voting system and by voting in person through Ballot Paper at the venue of the meeting, scheduled to be held on November 20, 2019.

The Tribunal has appointed Mr. Inderjeet Singh, Advocate as a Chairperson and failing him Mr. Gautam Mukherjee, Advocate as the Alternate chairperson of the said meeting.

This notice convening the Meeting along with the requisite documents is placed on the website of SMIL viz. www.shardamotor.com and is being sent to National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The Scrutinizer will submit his report to the designated Chairperson of the Meeting upon the completion of scrutiny of votes cast by Equity Shareholders (which includes Public Shareholders) of SMIL, through (i) e-voting, and (ii) ballot paper at the venue of the Meeting, in a fair and transparent manner within stipulated time period. The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 within 07 days of the conclusion of the meeting.

The Result will also be displayed at the notice board of the Registered Office of SMIL and posted on SMIL's website, besides communicating the same to the National Stock Exchange of India Limited and BSE Limited. The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to subsequent approval of the NCLT.

Following resolution(s) will be considered and if thought fit, be passed, with or without modification(s):

ITEM NO. 1

APPROVAL TO THE SCHEME OF ARRANGEMENT

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

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactments thereof for the time being in force), the Securities and Exchange Board of India's Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time)and relevant provisions of the Memorandum & Articles of Association of the Company and subject to the approval of National Company Law Tribunal, New Delhi Bench ("Tribunal") and No objection letter / observation letter dated August 19, 2019 issued by National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and subject to such requisite approvals of NSE & BSE as may be required in accordance with the regulations/guidelines, if any, prescribed as per the Securities and Exchange Board of India and such other approvals, sanctions and permissions of other regulatory or government bodies/tribunals or institutions as may be applicable, and subject to such conditions and modification(s) as may be prescribed or imposed by Tribunal or by any regulatory or other authorities, while granting such consents, approvals, permissions and consents and further based on Share Entitlement Report dated March 25, 2019 obtained from Mr. Rajesh Mittal, Registered Valuer (Registration No. IBBI/RV/03/2018/10074), Fairness Opinion dated March 25, 2019 obtained from M/s. Sundae Capital Advisors Private Limited, Merchant Banker and Certificate dated August 28, 2019 obtained from Gupta Vigg & Co., Statutory Auditors, regarding the accounting treatment being followed in the Scheme is in compliance with all the applicable Accounting Standards and on the recommendation of the Audit Committee and other relevant documents placed before it, the consent and approval of the Equity Shareholders of the Company be and is hereby accorded for the Demerger of Automobile Seating Undertaking of Sharda Motor Industries Limited ("Demerged Company") into NDR Auto Components Limited ("Resulting Company") with December 31, 2018 as the Appointed Date."

"RESOLVED FURTHER THAT the Board of Directors of the Company (Board) be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by Tribunal while sanctioning the Scheme or by any authority(ies) under law or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Equity Shareholders of Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

For or on behalf of Sharda Motor Industries Limited

Dated this 15th day of October, 2019

Registered office:
D-188, Okhla Industrial Estate,
Phase - I, New Delhi 110020

Sd/-
Inderjeet Singh
(Chairperson appointed for the meeting)

Notes:

1. Only registered equity shareholders of SMIL may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of SMIL) or in the case of a body corporate by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of SMIL. The authorized representative of a body corporate which is a registered equity shareholder of SMIL may attend and vote at the meeting of the equity shareholders of SMIL provided a copy of the resolution of the board of directors or other governing body of the body corporate/Registered Foreign Portfolio Investors (RPFI)/Foreign Institutional Investor (FII) authorizing such representative to attend and vote at the meeting of the equity shareholders of SMIL, duly certified to be a true copy by a director, the manager, the secretary or other authorized officer of such body corporate/Registered Foreign Portfolio Investors/Foreign Institutional Investor is deposited at the registered office of SMIL not later than 48 (forty eight) hours before the scheduled time of commencement of the meeting of the equity shareholders of SMIL.

2. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of SMIL carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of SMIL carrying voting right may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholders. Proxies executed/ submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution / authority, as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.

3. A blank Proxy Form is enclosed with the notice and can also be obtained free of charge from the registered office of SMIL on any day (except Sundays, Saturdays and Public holidays).

4. Person desirous of voting at the meeting by proxy, should deposit the proxies in the prescribed form at the registered office of SMIL at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020 not later than 48 hours before the meeting.

5. All alteration made in the form of proxy should be initialed.

6. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of SMIL, provided that not less than 3 (three) days of notice in writing is given to SMIL.

7. The Statement under Sections 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement") is annexed hereto.

8. The Hon'ble NCLT, New Delhi Bench by its Order dated October 10, 2019 has directed that a meeting of the equity shareholders of SMIL shall be convened and held at PHD Chamber of Commerce, PHD House, 4/2, August Kranti Marg, Siri Institutional Area, New Delhi 110016 on Wednesday, November 20, 2019 at 12.00 P.M. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

9. The Notice, Explanatory Statement together with the accompanying documents, is being sent to all the Equity Shareholders whose names appear in the Register of Members / List of Beneficial Owners received from National Securities Depository Limited ("NSDL") / Central Depository Services (India) Limited ("CDSL") as on Monday, October 14, 2019 ("Cut-off date"). The Notice will be displayed on the website of SMIL viz. www.shardamotor.com and on the website of CDSL viz. https://www.evotingindia.com

10. In compliance with the provisions of (i) Section 230(4) read with Section 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India, SMIL has provided the facility of e-Voting so as to enable the equity shareholders, which includes the Public Shareholders, to consider and approve the Scheme by way of the aforesaid resolution. The Company has engaged the services of CDSL, as the authorized agency to provide the e-voting facility. The voting by equity shareholders of SMIL to the Scheme shall be carried out through e-Voting or ballot or polling paper at the venue of the meeting to be held on November 20, 2019. Kindly note that the Equity Shareholders (which include the Public Shareholders) can opt for only single mode of voting i.e. through e-voting or voting at the venue of the Meeting. If an Equity Shareholder casts votes by both modes, then voting done through e-voting shall prevail and voting at the Meeting shall be treated as invalid. Further, the Equity Shareholders who have cast their vote through e-voting, may attend the Meeting but shall not be allowed to vote again thereat.

11. The quorum of the meeting of the equity shareholders of SMIL shall be 500 (Five Hundred) in number and 90% (Ninety Percent) in value. However the Hon'ble Tribunal vide its Order dated October 10, 2019 has directed that in case the required quorum are not present at the meeting, then the meeting shall be adjourned by half an hour and thereafter the persons present and voting shall be deemed to constitute the quorum.

12. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.

13. The registered equity shareholders who hold shares in dematerialized from and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.

14. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of SMIL/list of beneficial owners as received from National Securities Depository Limited ("NSDL")/ Central Depository services (India) Limited ("CDSL") in respect of such joint holding, will be entitled to vote.

15. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of SMIL between 10.30 A.M. and 05.30 P.M. on all days (except Saturdays, Sundays and Public holidays) up to the date of the meeting.

16. Equity shareholders (which includes Public Shareholders) holding equity shares as on Monday, October 14, 2019 being the cut off date, will be entitled to exercise their right to vote on the above resolution.

17. A person whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/CDSL as on the cut off date i.e Monday, October 14, 2019 shall not be entitled to avail the facility of e voting or voting at the meeting to be held on November 20, 2019. Voting right shall be reckoned on the paid up value of the shares registered in the names of equity shareholders (which include Public Shareholders) as on Friday, October 14, 2019. Persons who are not equity shareholders of SMIL as on the cut off date i.e. Monday, October 14, 2019 should treat this notice for information purpose only.

18. The Voting by the equity shareholders (including the Public Shareholders) through e voting shall commence at 09.00 A.M. on October 21, 2019 and shall close at 05.00 P.M. on November 19, 2019.

19. In terms of the directions contained in the Orders, the notice convening the meeting will be published through advertisement in (i) "Business Standard" (English, Delhi Edition) in the English Language; and (ii) "Business Standard" (Hindi, Delhi Edition) in Hindi Language.

20. In accordance with the provisions of Section 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of SMIL, voting in person or by proxy or e voting agree to the Scheme.

21. SMIL has engaged the services of Central Depository Services (India) Limited (CDSL) for facilitating e- voting for the said meeting to be held on November 20, 2019. Equity shareholders desiring to exercise their vote by using e voting facility are requested to follow the instruction mentioned in the Note No.27 below.

22. Mr. Narender Thakur, Company Secretary, has been appointed as the scrutinizer to conduct the e voting process and voting at the venue of the meeting in a fair and transparent manner.

23. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders.

24. The equity shareholders of the Applicant (which include Public shareholders) can opt only one mode for voting i.e. by e voting or voting at the venue of the meeting.

25. The equity shareholders of SMIL attending the meeting who have not cast their vote through e voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through e voting may also attend the meeting but shall not be entitled to cast their vote again.

26. The e voting period will commence at 09.00 A.M. on October 21, 2019 and shall end at 05.00 P.M. on November 19, 2019.During this period the equity shareholders of SMIL holding shares either in physical or in dematerialized form, as on the cut off date i.e Monday, October 14, 2019 may cast their votes electronically.

27. If any Equity Shareholder has any queries/grievances in relation to the e-Voting, then they may refer 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 and can also be addressed to SMIL through email at investorrelations@shardamotor.com.

28. **Voting through Electronic Means**

    A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SMIL is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the Meeting of Equity Shareholders. SMIL has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.

    B. Members are requested to note that the business may be transacted through electronic voting system and SMIL is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

    Instructions:

    The instructions for members voting electronically are as under:

    (i) The voting period begins at 09.00 A.M. on October 21, 2019 and shall close at 05.00 P.M. on November 19, 2019. During this period members' of SMIL, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, October 14, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

    (iii) 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 Entry our User ID (For CDSL:16 digits beneficiary ID, For NSDL :8 Character DPID 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. • 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).

After entering these details appropriately, click on "SUBMIT" tab.

vi. 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.

vii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

viii. Click on the EVSN for the relevant on which you choose to vote.

ix. 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.

x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xi. 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,clickon"OK",else to change your vote,clickon"CANCEL" and accordingly modify your vote.

xii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiii. You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xiv. 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.

xv. Shareholders can cast their vote using CDSL's mobile app m-voting available for android based mobiles. Them-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.

xvi. Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF,NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 (xvi) above to cast vote.

C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

D. Hon'ble NCLT has appointed, Mr. Narender Thakur, Company Secretary as Scrutinizer to scrutinize the remote e-voting process and voting through Ballot paper in the meeting, in a fair and transparent manner.

E. The Scrutinizer, shall on conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in employment of SMIL. Thereafter, the Scrutinizer will submit her report to the Chairman of the Meeting, after completion of scrutiny of votes cast by Equity Shareholders (which includes Public Shareholders) of SMIL, through (i) e-voting, and (ii) ballot paper at the venue of the Meeting, who shall countersign the same. The Scrutinizer's decision on the validity of the votes (including e-votes) shall be final. The results of the voting on the resolution(s) set out in the Notice.

F. In the event of poll, please note that the members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon shall be prepared in accordance with Section 109 of the Act read with relevant rules. In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s).

G. Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the Shareholders Meeting of SMIL scheduled to be held on November 20, 2019. The Results shall be declared within within the stipulated time from the conclusion of the meeting. The Results declared alongwith the Scrutinizer's Report shall be placed on SMIL's website, www. shardamotor.com and on CDSL's website, www.cdslindia.com/ www.evotingindia.com besides being communicated to BSE Limited and National Stock Exchange of India Limited within 48 hours of passing of the Resolution(s) at the meeting.

29. Members are requested to bring their duly filled Attendance Slip enclosed herewith to attend the meeting along with their copy of Notice.

30. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" and allowed Companies to send documents through electronic mode to its members. As per Regulation 36(1) (a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015,the Companies shall send soft copies of Annual Report and other notices to all those members who have registered their email id's for the said purpose. Members are requested to support this Green Initiative by registering/ updating their email id's for receiving electronic communications.

    Members holding shares in electronic mode are requested to update their email id's with their respective DP's and those holding shares in physical mode are requested to update their email id's with SMIL at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020.

31. A route map to the venue of the meeting alongwith prominent landmark for easy location is enclosed.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

NEW DELHI BENCH

COMPANY PETITION NO. CA (CAA)- 137 (PB) / 2019

In the matter of the Companies Act, 2013;

And

In the matter of application under section 230 to 232 of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between

Sharda Motor Industries Limited, a public company incorporated under the provisions of Companies Act, 1956, having its Registered Office at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020

…………………Applicant Company-1/ Demerged Company/ SMIL

AND

NDR Auto Components Limited, a public company incorporated under the provisions of Companies Act, 2013, having its registered office at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020

…………………Applicant Company-2/ Resulting Company/ NACL

AND

Their respective shareholders and creditors

STATEMENT UNDER SECTIONS 230 to 232 AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("EXPLANATORY STATEMENT")

1. In this statement Sharda Motor Industries Limited is referred to as the "Demerged Company" or "SMIL" and NDR Auto Components Limited is referred to as the "Resulting Company" or "NACL". The other definitions contained in the Scheme of Arrangement between the Demerged Company and the Resulting Company and their respective shareholders and creditors (hereinafter referred to as the **"Scheme"**) will also apply to this statement under the aforesaid provisions of the Companies Act, 2013 (**"Explanatory Statement"**).

2. A copy of the Scheme between the Demerged Company and the Resulting Company setting out the terms and conditions of the Scheme is annexed to this Explanatory Statement as **Annexure 1**.

3. Pursuant to the Order dated the October 10, 2019 passed by the Hon'ble National Company Law Tribunal ("Tribunal"), Delhi Bench in Company Application referred to above, a meeting is being convened on, Wednesday, November 20, 2019 at 12.00 P.M. at PHD Chamber of Commerce, PHD House, 4/2, August Kranti Marg, Siri Institutional Area, New Delhi – 110016, of the Equity Shareholders of SMIL for the purpose of considering and, if thought fit, approving, the Scheme between the Demerged Company and the Resulting Company and their respective shareholders and creditors.

OVERVIEW

4. The proposed Scheme envisages the transfer of the Automobile Seating Undertaking (as defined under the Scheme) of the Demerged Company as a going concern to the Resulting Company and the consequent issuance of equity shares on a proportionate basis as consideration by the Resulting Company to the shareholders of Demerged Company under Sections 230–232 and other applicable provisions of the Act with effect from December 31, 2018, end of day (the **"Appointed Date"**).

PARTICULARS OF THE DEMERGED COMPANY

5. Sharda Motor Industries Limited ("Demerged Company") is a public limited company and was incorporated on January 29, 1986 under the Companies Act, 1956.

6. The Registered Office of Demerged Company is at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020. The email address of Demerged Company is investorrelations@shardamotor.com.

7. The equity shares of Demerged Company are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") on 3rd September, 2015 and 22nd May, 2013, respectively.

8. The Corporate Identification Number of Demerged Company is L74899DL1986PLC023202. Demerged Company beneficially holds 100% of the paid-up equity share capital of the Resulting Company.

9. The Permanent Account Number of Demerged Company is AAACS6855J.

10. The main objects for which the Demerged Company has been established are set out in its Memorandum of Association. The same has been set out hereunder:

   a) "To manufacture and/or deal in automobile, automobile parts including seat covers spare parts and components of machineries and to act agents for manufacturers of various parts and components, etc.

   b) To acquire and hold by way of investment, shares, stocks, debentures, debenture stock, bonds, obligations or securities, by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same or to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to carry on business of money lending and to carry on the business of dealers in shares, stocks, debentures, debenture stock, bonds, obligations, units securities and other investments."

11. The Demerged Company is primarily engaged in the following business undertakings:

   a. Suspension, Exhaust, Silencer, Canopy and White Goods Undertaking engaged in manufacturing of suspension, exhaust, silencer, Canopy and white goods i.e. Air Conditioner & Components thereof; and

   b. Automobile Seating Undertaking engaged in manufacturing of automobile seating.

12. There has been no change in the name, registered office address and objects of the Demerged Company in the last 5 years.

13. The capital structure of the Demerged Company as on 31st March, 2018 is as under:

Particulars	**Amount (Rs.)**
Authorized Share Capital	
5,00,00,000 Equity Shares of INR 10 each	50,00,00,000
Total	**50,00,00,000**
Issued, Subscribed and Paid Up Share Capital	
59,46,326 Equity Shares of INR 10 each fully paid up	5,94,63,260
Total	**5,94,63,260**

There has been no change in the above capital structure of the Demerged Company after March 31, 2018 till the date of approval of the Scheme by the Board of the Demerged Company.

14. Detail of Promoters of Demerged Company as on October 14, 2019

S.No	**Name**	**Address**
A	**PROMOTER**	
1	Ajay Relan	25, Sardar Patel Marg Chanakya PuriNew Delhi - 110021
2	Rohit Relan	25, Sardar Patel Marg Chanakya PuriNew Delhi - 110021
B	**PROMOTER GROUPS**	
3	Mala Relan	25, Sardar Patel Marg Chanakya PuriNew Delhi – 110021
4	Aashim Relan	25, Sardar Patel Marg Chanakya PuriNew Delhi – 110021
5	Ritu Relan	25, Sardar Patel Marg Chanakya PuriNew Delhi - 110021
6	Rishabh Relan	25, Sardar Patel Marg Chanakya PuriNew Delhi - 110021
7	Ayush Relan	25, Sardar Patel Marg Chanakya PuriNew Delhi - 110021
8	Pranav Relan	25, Sardar Patel Marg Chanakya PuriNew Delhi - 110021
9	Ajay Relan (HUF)	25, Sardar Patel Marg Chanakya Puri New Delhi - 110021
10	Narinder Dev Relan (HUF)	25, Sardar Patel Marg Chanakya PuriNew Delhi – 110021
11	Rohit Relan (HUF)	25, Sardar Patel Marg Chanakya PuriNew Delhi - 110021
12	Ram Parkash Choudhary	10, Anand Lok New Delhi - 110049, India
13	Indira Choudhary	10, Anand Lok New Delhi - 110049, India

15. Detail of Directors of Demerged Company as on October 14, 2019

S. NO.	NAME	DIN	DESIGNATION	ADDRESS
1	Kishan Nagin Parikh	00453209	Chairperson & Non-Executive Independent Director	8-A, Monalisa 17, Camac Street Kolkata 700017, West Bengal
2	Sharda Relan	00252181	Co-Chairperson & Executive Director	25, Sardar Patel Marg Chanakya Puri, New Delhi - 110021
3	Ajay Relan	00257584	Managing Director	25, Sardar Patel Marg Chanakya Puri, New Delhi - 110021
4	Rohit Relan	00257572	Non-Executive Director	25, Sardar Patel Marg Chanakya Puri, New Delhi - 110021
5	Satinder Kumar Lambah	07425155	Non-Executive & Independent Director	C-615 New Friends Colony, Okhla New Delhi 110025
6	Ashok Kumar Bhattacharya	02804551	Non-Executive & Independent Director	46, Wake Green Road Birmingham, Birmingham B13PPF, United Kingdom
7	Udayan Banerjee	00339754	Non-Executive & Independent Director	S/o late P. M. Banerjee, D-688 C R Park, Chittranjan Park, Kalka Ji 110019
8	Nitin Vishnoi	08538925	Executive Director & Company Secretary	House No. 2055, Tower-4, Block D GH-7, Crossings Republik Ghaziabad 201016

PARTICULARS OF THE RESULTING COMPANY

16. NDR Auto Components Limited ("Resulting Company") is a public limited company and was incorporated on March 19, 2019 under the Companies Act, 2013.

17. The registered office of Resulting Company is at D-188, Okhla Industrial Area, Phase-1, Delhi-110020. The email address of Resulting Company is ndr_auto_components@outlook.com.

18. The Corporate Identification Number of Resulting Company is U29304DL2019PLC347460. The Resulting Company is the wholly owned subsidiary of the Demerged Company. The equity shares of Resulting Company are not listed on any Stock Exchange.

19. The Permanent Account Number of Resulting Company is AAGCN4573Q.

20. The main objects for which the Resulting Company has been established are set out in its Memorandum of Association. The same has been set out hereunder:

"a) To carry on the business of assembling, blending, manufacturing, design, development, dealing and supplying components, engineering goods, equipment and interior components for the automotive and non-automotive industry for domestic and export purposes.

b) To carry on the business of manufacturing fabricating and assembling, buying, selling, Import, export, distribution and dealing in or all and every kind of automotive components including seats, spare parts and component for the seats and to deal in each and every kind of activity associated with the manufacture and trading of any kind of components, whether directly or indirectly or whether in India or abroad.

c) To carry on the business of manufacturing, trading, import, export in any and of or every kind of parts, interiors and components made from rubber, foam, rubberized foam, coir, yarn, (whether synthetic or woolen) whether used singly or by blending of or with various chemicals for various automotive or non-automotive application.

d) To carry on the business of design, development, testing, validation of all and every type of components, advisory of setting up of manufacturing line, process(es), suppliers of technical know-how, equipments and man power suppliers, site planners etc."

21. The Resulting Company has been incorporated to carry on the business of Automobile Seating Undertaking of Demerged Company.

22. There has been no change in the name, registered office address and objects of the Resulting Company in the last 5 years.

23. The capital structure of the Resulting Company as on March 31, 2019 is as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
10,000 Equity Shares of INR 10 each	1,00,000
Total	**1,00,000**
Issued, Subscribed and Paid Up Share Capital	
10,000 Equity Shares of INR 10 eachfully paid up	1,00,000
Total	**1,00,000**

There has been no change in the above capital structure of the Resulting Company after March 31, 2019 till the date of approval of the Scheme by the Board of the Resulting Company.

24. Detail of Promoters of Resulting Company as on October 14, 2019

S. NO.	NAME OF PROMOTER	ADDRESS OF PROMOTER
1	Sharda Motor Industries Limited	D-188, Okhla Industrial Area, Phase – I, New Delhi-110020

25. Detail of Directors of Resulting Company as on October 14, 2019

S. NO.	NAME	DIN	DESIGNATION	ADDRESS
1	Ajay Relan	00257584	Director	25, Sardar Patel Marg Chanakya Puri, New Delhi
2	Sharda Relan	00252181	Director	25, Sardar Patel Marg Chanakya Puri, New Delhi
3	Dharam Asrey Aggarwal	07720007	Director	B-21 Rampuri Near Surya Nagar Ghaziabad 201011 Uttar Pradesh

CORPORATE APPROVALS

26. The proposed Scheme, was placed before the Audit Committee of the Demerged Company at its meeting held on April 5, 2019. The Audit Committee of the Demerged Company took into account the Share Entitlement Report, dated March 25, 2019 obtained from Mr. Rajesh Mittal, Registered Valuer (Registration No. IBBI/RV/03/2018/10074) (the "Share Entitlement Report") and the fairness opinion, dated March 25, 2019, obtained from M/s. Sundae Capital Advisors Private Limited, Merchant Banker ("Fairness Opinion"), appointed for this purpose by the Demerged Company. A copy of the Share Entitlement Report and Fairness Opinion is enclosed as **Annexure 2** & **Annexure 3**, respectively. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Demerged Company for its approval.

27. The Scheme along with the Share Entitlement Report was placed before the Board of Directors of the Demerged Company, at its meeting held on April 5, 2019. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of the Demerged Company. Based on the aforesaid, the Board of Directors of the Demerged Company approved the Scheme, at its meeting held on April 5, 2019

The Scheme has been unanimously approved by the Board of Directors of Demerged Company or SMIL vide resolution passed in the meeting held on April 5, 2019. Out of total 8 directors of SMIL, 6 directors were present in the Meeting, all of whom voted in favour of the resolution. The details of voting by Directors on the resolution is as under:

Sr. No.	Name of Directors	Voting on the Resolution
1	Kishan Nagin Parikh (Chairperson)	In Favour
2	Sharda Relan	In Favour
3	Ajay Relan	In Favour
4	Udayan Banerjee	In Favour
5	Ashok K Bhattacharya	Not Present*
6	Bireswar Mitra	Not Present*

*Participated via Video-conferencing

28. The Scheme along with the Share Entitlement Report was placed before the Board of Directors of the Resulting Company, at its meeting held on April 5, 2019. Based on the aforesaid, the Board of Directors of the Resulting Company approved the Scheme at its Meeting held on April 5, 2019.

The Scheme has been unanimously approved by the Board of Directors of Resulting Company or NACL vide resolution passed in the meeting held on April 5, 2019. All directors were present in the Meeting, all of whom voted in favour of the resolution. The details of voting by Directors on the resolution is as under:

Sr. No.	Name of Directors	Voting on the Resolution
1	Dharam Asrey Aggarwal	In Favour
2	Sharda Relan	In Favour
3	Ajay Relan	In Favour

APPROVALS AND SANCTIONS IN RELATION TO THE SCHEME

29. NSE was appointed as the designated stock exchange by the Demerged Company for the purpose of coordinating with the Securities and Exchange Board of India ("SEBI"), pursuant to Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 (the "SEBI Circular") issued by SEBI. The Demerged Company has received "No-objection letter" and "No adverse observation letter" regarding the Scheme from NSE and BSE, respectively both dated August 19, 2019. In terms of the observation letters of NSE and BSE, both NSE and BSE, inter alia, conveyed their no adverse observations for filing the Scheme with the Hon'ble Tribunal. Copies of the observation letters, received from NSE and BSE, respectively, are enclosed as **Annexure 4** and **Annexure 5**. As required under the SEBI Circular, the Demerged Company had filed the complaint reports with NSE and BSE, on May 17, 2019 and June 13, 2019, respectively. These reports indicate that the Demerged Company has received NIL complaints. Copy of the complaint reports submitted by the Demerged Company to NSE and BSE is enclosed as **Annexure 6**.

30. The Demerged Company and Resulting Company or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required. The applications along with the annexures thereto (which includes the Scheme) were filed by with the NCLT, New Delhi Bench on September 16, 2019.

SALIENT FEATURES OF THE SCHEME

31. The salient features of the Scheme are as follows:

(a) The Scheme envisages demerger of Automobile Seating Undertaking (as defined in the Scheme) of the Demerged Company into the Resulting Company.

(b) The appointed date of the Scheme is December 31, 2018 (end of day).

(c) Subject to the sanction of the Scheme, with effect from the Effective Date but on and from the Appointed Date, i.e., December 31, 2018 (end of day), the entire Automobile Seating Undertaking of the Demerged Company including but not limited to all assets, properties, liabilities, contracts, employees, legal and other proceedings, shall be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis.

(d) In consideration for the same, the Resulting Company shall issue and allot to every equity shareholder of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company as on the Record Date (as defined in the Scheme), 1 (one) fully paid up equity share of face value Rs.10/- each of the Resulting Company, for every 1 (one) fully paid up equity share of face value Rs.10/- each, held by such member in the share capital of the Demerged Company.

(e) <u>Rationale & Benefits of the Scheme:</u>

The arrangement is aimed at demerger of "Automobile Seating Undertaking"(hereinafter defined) of SMIL into NACL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for SMIL and NACL:

a) The Automobile Seating Undertaking carried on by SMIL has significant potential for growth. The nature of risk, competition, challenges, opportunities and business methods for the Automobile Seating Undertaking is separate and distinct from the other business of the Company. The Automobile Seating Undertaking would become capable of attracting a different set of investors, strategic partners, lenders and other stakeholders and would further enhance the shareholders wealth.

b) The management teams and Board of Directors of SMIL and NACL would be able to chart out independent strategies of their respective businesses to maximize value creation for their respective stakeholders. Demerger shall enhance focus of management on the operations of the Automobile Seating Undertaking by NACL and Suspension, Exhaust, Silencer, Canopy and White goods Undertaking by SMIL.

c) As part of the Resulting Company, the Automobile Seating business shall be amenable to benchmarking, and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.

d) The demerger will permit increased focus by SMIL and NACL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any of the directors, key management personnel, promoters, non-promoter members, creditors and employees of SMIL and NACL.

The transfer and vesting of the Automobile Seating Undertaking (hereinafter defined) into NACL would be in the best interests of the shareholders, creditors and employees of SMIL and NACL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Automobile Seating Undertaking and the Remaining Business(hereinafter defined) of SMIL. Pursuant to this Scheme all the shareholders of SMIL will get shares in NACL and there would be no change in the economic interest for any of the shareholders of SMIL pre and post implementation of the Scheme.

In view of the above rationale, the Board recommended a Scheme of Arrangement whereby the Automobile Seating Undertaking of SMIL will be demerged into NACL as a going concern with effect from the Appointed Date (hereinafter defined). Accordingly, the Board of Directors of SMIL and NACL have decided to make requisite applications and/or petitions before the Tribunal (hereinafter defined) as the case may be, as applicable under Sections 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other applicable provisions for the sanction of this Scheme.

The aforesaid are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto and get fully acquainted with the provisions thereof.

SUMMARY OF SHARE ENTITLEMENT REPORT INCLUDING THE BASIS OF VALUATION AND FAIRNESS OPINION

32. Pursuant to the SEBI Circular, the Demerged Company has obtained a Share Entitlement Report dated March 25, 2019 from Mr. Rajesh Mittal, Registered Valuer (Registration No. IBBI/RV/03/2018/10074) and a fairness opinion from M/s. Sundae Capital Advisors Private Limited, Merchant Banker dated March 25, 2019.

On the basis of the afore-mentioned Share Entitlement Report and Fairness Opinion, the Resulting Company shall issue and allot to every equity shareholder of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company as on the Record Date (as defined in the Scheme), 1 (one) fully paid up equity share of face value Rs.10/- each of the Resulting Company, for every 1 (one) fully paid up equity share of face value Rs.10/- each, held by such member in the share capital of the Demerged Company.

33. The Audit Committee of the Demerged Company had also recommended the Scheme based on the Share Entitlement Report and the fairness opinion for favourable consideration by the Stock Exchange(s) and the SEBI.

A copy of the Share Entitlement Report and Fairness Opinion is enclosed as **Annexure 2 and Annexure 3,** respectively and are also available for inspection at the Registered Office of the Company.

EFFECT OF THE SCHEME

34. The Scheme does not affect the material interests of the Directors or Key Managerial Personnel (KMP) of the Demerged Company and the Resulting Company.

35. Upon the Scheme becoming effective, the promoter and non-promoter shareholders of the Demerged Company will be allotted equity shares on a proportionate basis by the Resulting Company as consideration for transfer of Automobile Seating Undertaking as per clause 12 of the Scheme. Thus, there is no impact on the interest of the shareholders of the Demerged Company and the Resulting Company.

36. The rights and interest of the creditors of the Demerged Company and Resulting Company will not be adversely affected by the Scheme since there would be no reduction or extinguishment in their claims/interest, and dues, if any, will be paid off in the ordinary course of business.

37. There shall be no change in the terms of employment of the employees of the Demerged Company, to their prejudice, and all employees of Automobile Seating Undertaking of the Demerged Company shall be deemed to be employees of Resulting Company, without any break in service, as per clause 9 of the Scheme.

38. There are no debentures / bonds or debenture holders / bond holders in the Demerged Company and Resulting Company and hence, there is no question of the Scheme affecting their interests.

39. There are no depositors or deposit trustee in the Demerged Company and Resulting Company and hence, there is no question of the Scheme affecting their interests.

GENERAL

40. The total amount due to the secured and unsecured creditors of the Demerged Company as on July 31, 2019 is Rs. Nil and Rs. 132,60,06,059 (One Hundred Thirty Two Crore Sixty Lakh Six Thousand and Fifty Nine), respectively. Total amount due to the secured and unsecured creditors of the Resulting Company as on July 31, 2019 is Rs. Niland Rs. 46,500/- (Rupees Forty Six Thousand and Five Hundred Only), respectively.

41. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013 against the Demerged Company and against the Resulting Company.

42. No winding up proceedings are pending against the Demerged Company and the Resulting Company.

43. The copy of the proposed Scheme has been filed by SMIL before the concerned Registrar of Companies.

44. The following documents will be open for inspection or for obtaining extracts of or making copies of, by the members and creditors of SMIL between 10.30 A.M. and 05.30 P.M., on any working day (except Saturdays, Sundays and Public Holidays), at the Registered office of SMIL:

    (a) Copy of the Order dated October 10, 2019 passed by the Hon'ble National Company Law Tribunal, New Delhi Bench in Company Petition No. CA (CAA)- 137 (PB) / 2019, inter alia, directing Demerged Company to convene the meeting of its equity shareholders along with a copy of the application;

    (b) Copy of the Scheme of Arrangement;

    (c) Certificate issued by the Auditor confirming that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

    (d) Annual Reports of SMIL for financial year 2017-18 including audited financial statements;

    (e) Copy of accounting statement of SMIL for the period ending December 31, 2018;

    (f) Annual Reports of SMIL for financial year 2018-19 including audited financial statements;

    (g) Copy of Memorandum and Articles of Association of SMIL;

    (h) Share Entitlement Report dated March 25, 2019, obtained from Mr. Rajesh Mittal, Registered Valuer (Registration No. IBBI/RV/03/2018/10074);

    (i) Fairness Opinion datedMarch 25, 2019 obtained from M/s. Sundae Capital Advisors Private Limited, Merchant Banker;

    (j) Copy of the Complaint Reports submitted to BSE and NSEon 17th May, 2019 and 13th June, 2019, respectively ;

    (k) Copy of Board resolution of SMIL & NACL dated April 5, 2019 approving the Scheme;

    (l) Copy of the observation letters issued by NSE and BSE bothdated August 19, 2019;

    (m) A copy of the certificate issued by Gupta Vigg & Co., Chartered Accountants for non-applicability of requirement prescribed in paragraph I(A)(9)(a) of Annexure 1 of SEBI Circular

For or on behalf of Sharda Motor Industries Limited

Dated this 15th day of October, 2019

Registered office:
D-188, Okhla Industrial Estate,
Phase - I, New Delhi 110020

Sd/-
Inderjeet Singh
(Chairperson appointed for the meeting)

Annexure 1

SCHEME OF ARRANGEMENT

BETWEEN

SHARDA MOTOR INDUSTRIES LIMITED

(“DEMERGED COMPANY”**)**

AND

NDR AUTO COMPONENTS LIMITED

(“RESULTING COMPANY”)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS230TO232OF THE COMPANIES ACT, 2013 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013

PREAMBLE

This Draft Scheme (hereinafter defined)is presented under Section 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other relevant provisions of the Act, as applicable from time to time, for the transfer and vesting of Automobile Seating Undertaking (hereinafter defined) of Sharda Motor Industries Limited (hereinafter defined as “SMIL” or “Demerged Company”) to NDR Auto Components Limited (hereinafter defined as “NACL” or “Resulting Company”) with effect from the Appointed Date (hereinafter defined), and upon the occurrence of the Effective Date (hereinafter defined). In addition, this Scheme of Arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

A. Background

i. Sharda Motor Industries Limited is a public limited company incorporated under the provisions of Companies Act, 1956 on January 29, 1986 bearing Corporate Identification Number L74899DL1986PLC023202. The registered office of SMIL is situated at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020. The correspondence email address of SMIL is smil@shardamotor.com or investorrelations@shardamotor.com. The equity shares of SMIL are listed on BSE Limited (“BSE”) & National Stock Exchange of India Limited (“NSE”).

SMIL has the following business undertakings:

a) Suspension, Exhaust, Silencer, Canopy and White Goods Undertaking engaged in manufacturing of suspension, exhaust, silencer, Canopy and white goods i.e. Air Conditioner & Components thereof; and

b) Automobile Seating Undertaking engaged in manufacturing of automobile seating.

ii. NDR Auto Components Limited is a public limited company incorporated under the provisions of Companies Act, 2013 on March 19, 2019 bearing Corporate Identification Number: U29304DL2019PLC347460. The registered office of NACL is situated at D-188, Okhla Industrial Area, Phase-1, Delhi-110020. The correspondence email address of NACL is ndr_auto_components@outlook.com. The equity shares of NACL are not currently listed on any stock exchange.

SMIL is the holding company of NACL. As on the date of filing of the Scheme, SMIL along with its nominees hold 100% equity share capital of NACL.

B. Rationale for the Scheme of Arrangement

The arrangement is aimed at demerger of “Automobile Seating Undertaking”(hereinafter defined) of SMIL into NACL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for SMIL and NACL:

a) The Automobile Seating Undertaking carried on by SMIL has significant potential for growth. The nature of risk, competition, challenges, opportunities and business methods for the Automobile Seating Undertaking is separate and distinct from the other business of the Company. The Automobile Seating Undertaking would become capable of attracting a different set of investors, strategic partners, lenders and other stakeholders and would further enhance the shareholders wealth.

b) The management teams and Board of Directors of SMIL and NACL would be able to chart out independent strategies of their respective businesses to maximize value creation for their respective stakeholders. Demerger shall enhance focus of management on the operations of the Automobile Seating Undertaking by NACL and Suspension, Exhaust, Silencer, Canopy and White goods Undertaking by SMIL.

c) As part of the Resulting Company, the Automobile Seating business shall be amenable to benchmarking, and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.

d) The demerger will permit increased focus by SMIL and NACL on their respective businesses in order to better meet their respective customers’ needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any of the directors, key management personnel, promoters, non-promoter members, creditors and employees of SMIL and NACL.

The transfer and vesting of the Automobile Seating Undertaking (hereinafter defined) into NACL would be in the best interests of the shareholders, creditors and employees of SMIL and NACL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Automobile Seating Undertaking and the Remaining Business(hereinafter defined) of SMIL. Pursuant to this Scheme all the shareholders of SMIL will get shares in NACL and there would be no change in the economic interest for any of the shareholders of SMIL pre and post implementation of the Scheme.

In view of the above rationale, the Board recommended a Scheme of Arrangement whereby the Automobile Seating Undertaking of SMIL will be demerged into NACL as a going concern with effect from the Appointed Date (hereinafter defined). Accordingly, the Board of Directors of SMIL and NACL have decided to make requisite applications and/or petitions before the Tribunal (hereinafter defined) as the case may be, as applicable under Sections 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other applicable provisions for the sanction of this Scheme.

C. Treatment of Scheme for the purposes of Income-Tax Act, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income-tax Act, 1961 ("IT Act"). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modifications will however not affect the other provisions of the Scheme.

D. The Scheme is divided into the following parts:

PART A deals with Definition and share capital of the companies.

PART B (Read with Schedule I and Schedule II) deals with the transfer and vesting of the Automobile Seating Undertaking (hereinafter defined) of SMIL to and with NACL in accordance with section 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, other applicable provisions of the Act (hereinafter defined), and in accordance with section 2(19AA) of the IT Act.

PART C deals with General terms and conditions that would be applicable to the Scheme.

PART A - DEFINITION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

1.1 **"The Act"** means the Companies Act, 2013, as notified, and ordinances, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof.

1.2 "**Appointed Date"** means December 31, 2018 (end of day)or such other date as may be decided by the Board of the Demerged Company and the Resulting Company with the consent or as per the direction by the Tribunal.

1.3 "**Board of Directors"** or **"Board"** means and includes the respective Boards of Directors of the Demerged Company and the Resulting Company or any committee constituted by such Board of Directors for the purposes of the Scheme.

1.4 **"Automobile Seating business" or "Automobile Seating Undertaking"** of SMIL means all the businesses, undertakings, activities, properties and liabilities, whatsoever nature and kind and wheresoever situated, of SMIL pertaining to the Automobile Seating business, including specifically the following:

1.4.1 all immovable properties (As listed in Schedule I of this Scheme) i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including but not limited to offices, structures, warehouses, workshop, sheds, stores, DG Room, roads, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the Automobile Seating business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

1.4.2 all assets, as are movable in nature pertaining to and in relation to the Automobile Seating Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished good packaging items, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other, persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to goods and services tax credit, service tax input credits, CENVAT credits, value added tax/sales tax/entry tax credits or set-offs, advance tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds;

1.4.3 all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by relevant Pollution Control Boards and other licenses/permits granted/issued/ given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the Automobile Seating business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Automobile Seating Business;

1.4.4 all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Automobile Seating Business;

1.4.5 all applications(including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Automobile Seating Business;

1.4.6 all rights to use and avail telephones, telexes, facsimile, email, Internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by SMIL pertaining to or in connection with or relating to the Automobile Seating Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by SMIL and pertaining to the Automobile Seating Business;

1.4.7 all books, records, files, papers, engineering- and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product' registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Automobile Seating Business;

1.4.8 all debts, liabilities including contingent liabilities, duties, taxes and obligations of SMIL pertaining to the Automobile Seating Undertaking and/or arising out of and/or relatable to the Automobile Seating Business and including:

a) the debts, liabilities, duties and obligations of SMIL which arises out of the activities or operations of the Automobile Seating business; and

b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Automobile Seating Business.

1.4.9 all employees of SMIL employed/engaged in the Automobile Seating Business as on the Effective Date; and

1.4.10 all legal or other proceedings of whatsoever nature that pertain to the Automobile Seating Business.

1.5 **"Demerged Company"** means Sharda Motor Industries Limited (or **"SMIL"**)**.**

1.6 **"Effective Date"** means the date on which the last of the conditions mentioned in Clause 18 of Part C of the Scheme is fulfilled. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

1.7 **"National Company Law Tribunal" or "NCLT" or "Tribunal"** means the National Company Law Tribunal, Delhi Bench**.**

1.8 **"Record Date"**means the date fixed by the Board of Directors of the Resulting Company or any committee thereof in consultation with the Demerged Company, for the purpose of determining names of the equity shareholders of the Demerged Company, who shall be entitled to receive the equity shares in the Resulting Company pursuant to Clause 12 of the Scheme, upon coming into effect of this Scheme.

1.9 **"Remaining Business" or "Suspension, Exhaust, Silencer, Canopy and White goods Undertaking"** means all assets, liabilities, businesses, activities and operations of Suspension, Exhaust, Silencer, Canopy and White goods i.e. Air conditioner & Components thereof business of the Demerged Company.

1.10 **"Resulting Company"** means NDR Auto Components Limited (or **"NACL"**).

1.11 **"RoC"** means Registrar of Companies, Delhi and Haryana.

1.12 **"Scheme"** or **"the Scheme"** or **"this Scheme"** or **"Scheme of Arrangement"** means this Scheme of Arrangement among the Demerged Company, the Resulting Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 of the Act read with section 66 of the Act, and other applicable provisions of the Act, as the case may be, in its present form or with any modification(s) made under Clause 17of the Scheme by the Board of Directors of the Demerged Company and the Resulting Company, and/ or as approved or directed by the Tribunal, as the case may be.

1.13 **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.14 **"SEBI Circulars"** means Circular No. CFD/DIL3/CIR/CMD/2017/21 dated March 10, 2017, issued by SEBI and as amended from time to time or any other circulars issued by SEBI applicable to a Scheme of Arrangement.

1.15 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996, SEBI Circulars and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or reenactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 17of the Scheme, approved or imposed or directed by the Tribunal as the case may be, as applicable, shall be effective from the Appointed Date, as the case may be, but shall be made operative from the Effective Date.

3. CAPITAL STRUCTUREOF THE COMPANIES

3.1. The share capital of SMIL as at March 31, 2018 is as under:

Particulars	**Amount (INR)**
Authorized Share Capital	
5,00,00,000 Equity Shares of INR 10 each	50,00,00,000
Total	**50,00,00,000**
Issued, Subscribed and Paid Up Share Capital	
59,46,326 Equity Shares of INR 10 each fully paid up	5,94,63,260
Total	**5,94,63,260**

Since March 31, 2018 and as on the date of filing of this Scheme, there has been no change in the capital structure of SMIL.

3.2. The share capital of NACL shall be as under:

Particulars	**Amount (INR)**
Authorized Share Capital	
10,000 Equity Shares of INR 10 each	100,000
Total	
Issued, Subscribed and Paid Up Share Capital	
10,000 Equity Shares of INR 10 each fully paid up	100,000
Total	**100,000**

The entire shareholding of NACL shall be held by SMIL and its nominees.

4. MAIN OBJECTS

4.1. The main objects of SMIL are as follows:

a) To manufacture and/or deal in automobile, automobile parts including seat covers spare parts and components of machineries and to act agents for manufacturers of various parts and components, etc.

b) To acquire and hold by way of investment, shares, stocks, debentures, debenture stock, bonds, obligations or securities, by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same or to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to carry on business of money lending and to carry on the business of dealers in shares, stocks, debentures, debenture stock, bonds, obligations, units securities and other investments."

4.2. The main objects of NACL are as follows:

i. To carry on the business of assembling, blending, manufacturing, design, development, dealing and supplying components, engineering goods, equipment and interior components for the automotive and non-automotive industry for domestic and export purposes.

ii. To carry on the business of manufacturing fabricating and assembling, buying, selling, Import, export, distribution and dealing in or all and every kind of automotive components including seats, spare parts and component for the seats and to deal in each and every kind of activity associated with the manufacture and trading of any kind of components, whether directly or indirectly or whether in India or abroad.

iii. To carry on the business of manufacturing, trading, import, export in any and of or every kind of parts, interiors and components made from rubber, foam, rubberized foam, coir, yarn, (whether synthetic or woolen) whether used singly or by blending of or with various chemicals for various automotive or non-automotive application.

iv. To carry on the business of design, development, testing, validation of all and every type of components, advisory of setting up of manufacturing line, process(es), suppliers of technical know-how, equipments and man power suppliers, site planners etc.

PART B - TRANSFER AND VESTING OF AUTOMOBILE SEATING UNDERTAKING (READ WITH SCHEDULE I AND SCHEDULE II) FROM SMIL TO NACL

5. TRANSFER AND VESTING OF AUTOMOBILE SEATING UNDERTAKINGFROM DEMERGED COMPANY TO RESULTING COMPANY

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Automobile Seating Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Automobile Seating Undertaking) shall, without any further act, instrument, deed, matter or thing, be demerged from SMIL and transferred to and vested in NACL or be deemed to have been demerged from SMIL, and transferred to and vested in NACL as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of NACL, pursuant to Section 232 of the Act.

5.2. In respect of such of the assets of the Automobile Seating Undertaking as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by SMIL to NACL upon the coming into effect of this Scheme pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of NACL as an integral part of the Automobile Seating Undertaking.

5.3. In respect of the movable assets other than those dealt with in clause 5.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in NACL without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of SMIL to recover or realize the same stands transferred to NACL. NACL shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in NACL and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

5.4. In respect of such of the assets belonging to the Automobile Seating Undertaking other than those referred to in clause 5.2 and 5.3 above, the same shall, as more particularly provided in clause 5.1 above, without an further act, instrument or deed, be demerged from SMIL and transferred to and vested in and/or be deemed to be demerged from SMIL and transferred to and vested in NACL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.

5.5. All assets, rights, title, interests and investments of SMIL in relation to the Automobile Seating Undertaking (including investments by SMIL in Bharat Seats Limited, Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited)shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in NACL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.

5.6. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of SMIL in any leasehold/leave and licence/right of way properties of SMIL in relation to the Automobile Seating Undertaking, shall, pursuant to Section 232 of the Act, without any further act or deed, be transferred to and vested in or be-deemed to have been transferred to or vested in NACL automatically and on the same terms and conditions.

5.7. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of SMIL, and the rights and benefits under the same, in so far as they relate to the Automobile Seating Undertaking and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties (whether owned, licensed or otherwise, and whether registered or unregistered) and all other interests relating to the goods or services being dealt with by the Automobile Seating Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by SMIL, in relation to the Automobile Seating Undertaking shall be transferred to and vested in NACL and the concerned licensors and granters of such approvals, clearances, permissions,etc., shall endorse, where necessary, and record, in accordance with law, the name of NACL on such approvals, clearances, permissions and facilitate the approval and vesting of the same as part of the Automobile Seating Undertaking and continuation of operations pertaining to the Automobile Seating Undertaking in NACL without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against NACL, as the case may be, and may be enforced as fully and effectually as if, instead of SMIL, NACL had been a party or beneficiary or obligee thereto.

5.8. In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by SMIL are concerned, the same shall, without any further act or deed, in so far as they relate to the Automobile Seating Undertaking, vest with and be available to NACL on the same terms and conditions, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to NACL.

5.9. Any claims due to SMIL from its customers or otherwise and which have not been received by SMIL as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the Automobile Seating Undertaking, shall also belong to and be received by NACL.

5.10. All assets, estate, rights, title, interest and authorities acquired by SMIL after the Appointed Date and prior to the Effective Date for operation of the Automobile Seating Undertaking shall also stand transferred to and vested in NACL upon the coming into effect of this Scheme.

5.11. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of SMIL relating to the Automobile Seating Undertaking shall without any further act, instrument or deed be and stand transferred to NACL and shall thereupon become the debts, duties, obligations and liabilities of NACL, which it undertakes to meet, discharge and satisfy to the exclusion of SMIL and to keep SMIL indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person, who is a party to an act or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

5.12. Upon the Scheme coming into effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Automobile Seating Undertaking, whether provided for or not in the books of accounts of SMIL, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of NACL, without any further act, instrument or deed required by either SMIL or NACL. NACL undertakes to meet, discharge and satisfy the same to the exclusion of SMIL. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, SMIL and NACL shall, if required, file appropriate forms with the ROC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to NACL as part of the Automobile Seating Undertaking and/or in relation to the assets remaining in SMIL after the demerger and vesting of Automobile Seating Undertaking in NACL pursuant to this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to Automobile Seating Undertaking have been discharged by SMIL on behalf of NACL after the Appointed Date, such discharge shall be deemed to have been done by SMIL for and on behalf of NACL.

5.13. Subject to clause 5.12 above, from the Effective Date, NACL alone shall be liable to perform all obligations in respect of the liabilities of the Automobile Seating Undertaking as the borrower/issuer thereof, and SMIL shall not have any obligations in respect of the said liabilities.

5.14. Where any of the liabilities and obligations of SMIL as on the Appointed Date deemed to be transferred to NACL, have been discharged by SMIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of NACL and all liabilities and obligations incurred by SMIL for the operations of the Automobile Seating Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of NACL and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to NACL and shall become the liabilities and obligations of NACL, which shall meet, discharge and satisfy the same.

5.15. Any claims, liabilities or demands arising on account of the Automobile Seating Undertaking of SMIL which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by NACL. In the event that such liability is incurred by or such claim or demand is made upon SMIL, then NACL shall indemnify SMIL for any payments made in relation to the same.

5.16. Subject to the other provisions of this Scheme, in so far as the assets of the Automobile Seating Undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of SMIL shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of SMIL which are not transferred to NACL.

5.17. In so far as the assets of the Remaining Business of SMIL are concerned, the security, pledge, existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Automobile Seating Undertaking shall, without any further act, instrument or deed be released and discharged from such security, pledge, charges and mortgages. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.

5.18. In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of SMIL are concerned, such security shall, without any further act, instrument or deed be continued with SMIL only on the assets which are remaining with SMIL.

5.19. Without any prejudice to the provisions of the foregoing clauses and upon the Scheme being effective, SMIL, and NACL shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Delhi and Haryana to give formal effect to the provisions of this clause and foregoing clauses, if required.

5.20. Upon the coming into effect of this Scheme, SMIL alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of SMIL and NACL shall not have any obligations in respect of the Remaining Business of SMIL.

5.21. The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5.22. On and from the Effective Date, and thereafter, NACL shall be entitled to operate all bank accounts of SMIL, in relation to or in connection with the Automobile Seating Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of SMIL, in relation to or in connection with the Automobile Seating Undertaking, in the name of NACL in so far as may be necessary until the transfer of rights and obligations of the Automobile Seating Undertaking to NACL under this Scheme have been formally given effect to under such contracts and transactions.

5.23. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of SMIL, in relation to or in connection with the Automobile Seating Undertaking, have been replaced with that of NACL, NACL shall be entitled to operate the bank accounts of SMIL, in relation to or in connection with the Automobile Seating Undertaking, in the name of SMIL in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of SMIL in relation to or in connection with the Automobile Seating Undertaking, after the Effective Date shall be accepted by the bankers of NACL and credited to the account of NACL, if presented by NACL. NACL shall be allowed to maintain bank accounts in the name of SMIL for such time as may be determined to be necessary by NACL for presentation and deposition of cheques and pay orders that have been issued in the name of SMIL, in relation to or in connection with the Automobile Seating Undertaking. It is hereby expressly clarified that any legal proceedings by or against SMIL, in relation to or in connection with the Automobile Seating Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of SMIL shall be instituted, or as the case may be, continued by or against NACL after the coming into effect of this Scheme.

5.24. It is clarified that in order to ensure the smooth transition and sales of products and inventory of SMIL, in relation to or in connection with the Automobile Seating Undertaking, manufactured and/or branded and/or labelled and/or packed in the name of SMIL prior to the Effective Date, NACL shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Automobile Seating Undertaking at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of NACL after the Effective Date.

5.25. A list of assets and liabilities of the Automobile Seating Undertaking known as on the Appointed Date is annexed as Schedule II.

6. LEGAL PROCEEDINGS

6.1. Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against SMIL, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each relating to the Automobile Seating Undertaking shall be continued and enforced by or against NACL after the Effective Date. In the event that the legal proceedings referred to herein require SMIL and NACL to be jointly treated as parties thereto, NACL shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with SMIL. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Automobile Seating Undertaking or not, a decision jointly taken by the Board of Directors of SMIL and NACL in this regard, shall be conclusive evidence of the matter.

6.2. If proceedings are taken against SMIL in respect of the matters referred to in clause 6.1 above, it shall defend the same in accordance with the advice of NACL and at the cost of NACL, and the latter shall reimburse and indemnify SMIL against all the liabilities and obligations incurred by SMIL in respect thereof.

6.3. NACL shall have all legal or other proceedings initiated by or against SMIL with respect to the Automobile Seating Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against NACL to the exclusion of SMIL.

7. CONTRACTS, DEEDS, ETC.

7.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Automobile Seating Undertaking to which SMIL is a party or to the benefit of which SMIL may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of NACL, as the case may be, and may be enforced as fully and effectually as if, instead of SMIL, NACL had been a party or beneficiary or obligee thereto.

7.2. Notwithstanding the fact that vesting of the Automobile Seating Undertaking occurs by virtue of this Scheme itself, NACL may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute such deeds (including deeds of adherence), confirmations or other Writings with any party to any contract or arrangement to which SMIL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. NACL will, if necessary, also be a party to the above. NACL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of SMIL and to carry out or perform all, such formalities or compliances referred to above on the part of SMIL to be carried out or performed.

7.3. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Automobile Seating Undertaking which SMIL own or to which SMIL is a party to, cannot be transferred to NACL for any reason whatsoever, SMIL shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of NACL, in so far as it is permissible so to do, till such time as the transfer is effected.

8. SAVING OF CONCLUDED TRANSACTIONS

8.1. The transfer and the vesting of the assets, liabilities and obligations of the Automobile Seating Undertaking under clause 5 hereof and the continuance of proceedings by or against NACL under clause 6 hereof shall not affect any transaction or proceedings already completed by SMIL on or after the Appointed Date, to the end and intent that NACL accepts all acts, deeds and things done and executed by and/or on behalf of SMIL as acts, deeds and things made, done and executed by and on behalf of NACL.

9. STAFF, EMPLOYEES & WORKMEN

9.1. Upon the coming into effect of this Scheme, all the employees relating to the Automobile Seating Undertaking that were employed by SMIL, immediately before the Effective Date, shall become the employees of NACL without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Automobile Seating Undertaking of SMIL immediately prior to the demerger of the Automobile Seating Undertaking.

9.2. NACL agrees that the service of all employees pertaining to the Automobile Seating Undertaking with SMIL up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in SMIL up to the Effective Date. NACL further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with SMIL, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

9.3. Upon the coming into effect of this Scheme, NACL shall make all the necessary contributions for such transferred employees relating to the Automobile Seating Undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. NACL will also file relevant intimations in respect of the Automobile Seating Undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of NACL for SMIL.

9.4. In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by SMIL for employees of the Automobile Seating Undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the Automobile Seating Undertaking as on the Effective Date, who are being transferred along with the Automobile Seating Undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of NACL and till the time such necessary funds, schemes or trusts are created by NACL, all contribution shall continue to be made to the existing funds, schemes or trusts of SMIL.

10. CONDUCT OF BUSINESS

10.1. With effect from the Appointed Date and up to and including the Effective Date:

a) SMIL undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Automobile Seating Undertaking, for and on account of and in trust for NACL.

b) All profits accruing to SMIL and all taxes thereon or losses arising or incurred by it with respect to the Automobile Seating Undertaking shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of NACL.

c) All accretions and depletions in relation to the Automobile Seating Undertaking shall be for and on account of NACL.

10.2. With effect from the date of approval to the Scheme by the Board of Directors of SMIL and NACL, and upto and including the Effective Date:

a) SMIL shall carry on the business of the Automobile Seating Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.

b) Except with the consent of their respective Board of Directors, SMIL and NACL shall not make any change in its respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner effect the reorganization of capital of NACL.

10.3. NACL shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which NACL may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under any law for time being in force for carrying on business of Automobile Seating Undertaking.

10.4. From the date of filing of this Scheme with the Tribunal and upto and including the Effective Date, SMIL and NACL shall, unless expressly prohibited under this Scheme, carry on their respective business in ordinary course, including payment of any dividend and with the approval of their respective Board any other activity or business as may be deemed necessary or expedient in the opinion of the Board.

11. TREATMENT OF TAX

11.1. NACL will be the successor of SMIL vis-à-vis the Automobile Seating Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the Automobile Seating Undertaking and the obligations, if any, for payment of taxes on any assets of the Automobile Seating Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by NACL, or as the case may be deemed to be the obligation of NACL.

11.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/payables by SMIL relating to the Automobile Seating Undertaking including all or any refunds/credits/claims/tax losses/unabsorbed depreciation relating thereto shall be treated as the assets/liability or refund/credit/claims/tax losses/unabsorbed depreciation, as the case may be, of NACL.

11.3. SMIL and NACL are expressly permitted to revise their financial statements and returns(including income tax returns, withholding tax returns, GST returns and tax deducted at source ('TDS') certificates) along with prescribed forms, filings and annexures and under the Income Tax Act, 1961, indirect taxes including goods and services tax and other tax laws, and to claim refunds, advance tax, credits (including minimum alternate tax, tax deducted at source, wealth tax, etc.), excise and service tax credits, GST credits, set off etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme. Such returns may be revised and filed notwithstanding that the statutory period of such revision and filing may have expired.

11.4. Any refund, under the Income-tax Act, 1961, Goods & Service Tax, Service Tax laws, Excise Duty laws, Central Sales Tax, applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Automobile Seating Undertaking of SMIL consequent to the assessment made on SMIL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by NACL upon this Scheme becoming effective.

11.5. The tax payments (including, without limitation income tax, Goods & Service Tax, Service Tax, Excise Duty, Central Sales Tax, applicable State Value Added Tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by SMIL with respect to the Automobile Seating Undertaking after the Appointed Date, shall be deemed to be paid by NACL and shall, in all proceedings, be dealt with accordingly.

11.6. Further, any tax deducted at source by SMIL / NACL with respect to Automobile Seating Undertaking on transactions with SMIL/ NACL, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid byNACL and shall, in all proceedings, be dealt with accordingly.

11.7. Obligation for deduction of tax at source on any payment made by or to be made by SMIL shall be made or deemed to have been made and duly complied with by NACL.

11.8. Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, Goods and Service Tax, Cenvat, Customs, VAT, Sales Tax, Service Tax etc. relating to the Automobile Seating Undertaking to which SMIL is entitled to shall be available to and vest in NACL, without any further act or deed.

11.9. The Board of Directors of SMIL shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Automobile Seating Undertaking and whether the same would be transferred to NACL.

12. CONSIDERATION

12.1. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Automobile Seating Undertaking of SMIL in NACL, NACL shall, without any further act or deed, issue and allot to the equity shareholders of SMIL, whose names appear in the Register of Members of SMIL, on a date (hereinafter referred to as "Record Date") to be fixed in that behalf by the Board of Directors of SMIL in consultation with NACL for the purpose of reckoning the names of the equity shareholders of SMIL, in consideration for the transfer of the Automobile Seating Undertaking in the following proportion namely,:

"for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL"

12.2. The new equity shares issued, pursuant to clauses 12.1 above, shall be issued and allotted in a dematerialized form to those equity shareholders who hold equity shares in SMIL in dematerialized form, into the account with the depository participant in which the equity shares of SMIL are held or such other account with the depository participant as is intimated by the equity shareholders of SMIL to NACL before the Record Date. All those equity shareholders of SMIL who hold equity shares of SMIL in physical form shall also have the option to receive the new equity shares, as the case may be, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to NACL before the Record Date. In the event that NACL has received notice from any equity shareholder of SMIL that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of NACL, then NACL shall issue new equity shares of NACL in accordance with clauses 12.1above, as the case may be, in physical form to such equity shareholder.

12.3. The new equity shares of NACL to be issued to the shareholders of SMIL in terms of this scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of NACL and shall rank pari-passu, in all respects with the then existing equity shares in NACL in all respects including dividends.

12.4. Where the new equity shares of NACL are to be allotted, pursuant to this scheme, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of SMIL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of NACL.

12.5. The new equity shares to be issued by NACL, pursuant to this scheme, in respect of any equity shares of SMIL, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by NACL.

12.6. The approval of this Scheme shall be deemed to be due compliance of the provisions of section 62 of the Act and other relevant and the Act and applicable provisions of the Act, for the issue and allotment of new equity shares by NACL to the shareholders, as provided in this Scheme.

12.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of SMIL, the Board of Directors of SMIL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in SMIL as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to SMIL or NACL of equity shares in NACL issued by NACL upon the coming into effect of this Scheme.

12.8. NACL shall, if and to the extent required to, apply for and/or intimate and/or obtain any approvals from the concerned regulatory authorities. NACL shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable NACL to issue and allot new equity shares to the non-residents, if any.

12.9. The new equity shares to be issued by NACL, in terms of this Scheme, will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of SMIL are listed and/or admitted to trading in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable regulations. NACL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the aforesaid stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading. The new equity shares allotted by NACL, pursuant to this scheme, shall remain frozen in the depositories system till the listing/trading permission is given by the BSE and NSE.

12.10. There shall be no change in the shareholding pattern of NACL between the record date and the listing.

13. ACCOUNTING TREATMENT

Accounting treatment in the books of SMIL

On effectiveness of the Scheme and with effect from the Appointed Date, SMIL shall account for Demerger of the Automobile Seating Undertaking in its books of account in accordance with the Indian Accounting Standard (IND AS) prescribed under Section

133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under:

13.1. All the Assets and the liabilities of the Automobile Seating Undertaking shall be reduced at their Book Value.

13.2. The difference between the book value of assets and book value of liabilities of the Automobile Seating Undertaking shall be adjusted first against the free reserves of SMIL.

13.3. Upon the Scheme being effective, the investment of SMIL in NACL shall stand cancelled. Upon cancellation, SMIL shall credit its investment in NACL, the value of investment held by SMIL in NACL, which stands cancelled and the same shall be debited to the current year Profit and Loss Account of SMIL.

13.4. If considered appropriate for compliance with Accounting Standards, SMIL may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of SMIL.

Accounting treatment in the books of NACL

On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the transaction, the Resulting Company shall account for Demerger of the Demerged Undertaking in its books of account in accordance with Appendix C 'Business combinations of entities under common control' of the Indian Accounting Standard (IND AS) 103 for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under:

13.5. NACL shall record the assets and liabilities of the Automobile Seating Undertaking vested in it pursuant to this Scheme at the respective Book Values thereof.

13.6. NACL shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the members of SMIL pursuant to Clause 12 of this Scheme.

13.7. In respect of cancellation of shares held by SMIL, NACL shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by SMIL in NACL with a corresponding credit to Capital Reserve of NACL.

13.8. The difference between clause 13.5 and clause 13.6 above shall be recorded as Capital Reserve.

13.9. If considered appropriate for the purpose of application of uniform accounting policies and method or for compliance with the applicable Accounting Standards, NACL may make suitable adjustment and adjust the effect thereof in the manner determined by the Board of Directors of NACL.

14. REDUCTION OF SHARE CAPITAL OF NACL

14.1. With the issue and allotment of the new equity shares by NACL to the equity shareholders of SMIL in accordance with clauses 12 of the Scheme, in the books of NACL, all the equity shares issued by NACL to SMIL and held by SMIL shall stand cancelled, extinguished and annulled on and from the Effective Date.

14.2. The cancellation, as aforesaid, which amounts to reduction of share capital of NACL, shall be effected as an integral part of this Scheme itself in accordance with the provisions of section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

14.3. Notwithstanding the reduction as mentioned above, NACL shall not be required to add "and reduced" as suffix to its name and NACL shall continue in its existing name.

15. REMAINING BUSINESS TO CONTINUE WITH SMIL

1.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by SMIL subject to the provisions of the Scheme.

1.2 All legal or other proceedings by or against SMIL under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business(including those relating to any property, right, power, liability, obligation or duties of SMIL in respect of the Remaining Business) shall be continued and enforced by or against SMIL. NACL shall in no event be responsible or liable in relation to any such legal or other proceedings by or against SMIL.

1.3 With effect from the Appointed Date and up to and including the Effective Date:

a) SMIL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

b) all profits and income accruing or arising to SMIL, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of SMIL; and

c) all employees relatable to the Remaining Business shall continue to be employed by SMIL and NACL shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

PART C - GENERAL TERMS & CONDITIONS

16. APPLICATION TO TRIBUNAL

The Companies shall, with all reasonable dispatch, make necessary applications/petitions under Sections 230 to 232 of the Act read with section 66 of the Act, and other applicable provisions of the Act to the Tribunal for seeking sanction of this Scheme.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

17.1. SMIL and NACL, by their respective Boards of Directors (the “Board”, which term shall include committee thereof and/or person(s) authorized by the Board or the committee), may assent to/make and/or consent to any modifications/amendments of any kind to the Scheme or to any conditions or limitations that the Tribunal, as the case may be, as applicable and/or any other authority (including SEBI and stock exchanges) under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board).

17.2. SMIL and NACL by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

18.1. The requisite consent, approval or permission from BSE and NSE and/or SEBI under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, which by law or otherwise may be necessary for the implementation of this Scheme in compliance with the provisions of SEBI Circular;

18.2. The approval of the Scheme by the respective requisite majorities of the shareholders and/or creditors (where applicable) of the Companies in accordance with Section 230 to 232 of the Act read with section 66 of the Act;

18.3. The Scheme being sanctioned by the Tribunal in terms of Sections 230 to 232read with section 66 of the Act and other relevant provisions of the Act and the requisite orders of the Tribunal;

18.4. Such other approvals and sanctions including from government authorities or contracting party as may be required by law or contract for the Scheme; and

18.5. Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the ROC by SMIL and NACL as per the provisions of the Act.

19. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they may consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Companies affect the validity or implementation of the other parts and/or provisions of this Scheme.

20. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of SMIL and NACL arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne equally by SMIL and NACL.

SCHEDULE - I

IMMOVABLE PROPERTIES

List of immovable property(ies) forming part of Automobile Seating business, owned by SMIL

Location (Address)
C-506, Block-C, Pioneer Industrial Park (Village Bhudka), Pathredi, Gurgaon, Haryana

SCHEDULE - II

LIST OF ASSETS AND LIABILITIES PROPOSED TO BE TRANSRFERRED FROM SMIL TO NACL PURSUANT TO DEMERGER

		(Rs. in Lakhs)
S. No.	**Particulars**	**Resulting Company**
		As at December 31, 2018
		(Unaudited)
I.	**Assets**	
	Non-current assets	
	(a) Property, plant and equipment	3,988.26
	(b) Capital work in progress	6.50
	(c) Intangible assets	8.02
	(d) Financial assets	
	(i) Investments	165.50
	(ii) Other financial assets	49.85
	(e) Non-current tax asset (net)	-
	(f) Other non-current assets	-
	Total non-current assets	**4,218.13**
	Current assets	
	(a) Inventories	945.49
	(b) Financial assets	
	(i) Investments	1,427.33
	(ii) Trade receivables	1,739.12
	(iii) Cash and cash equivalents	1,246.11
	(iv) Bank balances other than (iii) above	6,071.56
	(v) Other financial assets	8.84
	(c) Other current assets	10.32
	(d) Asset classified as held for sale	0.08
	Total current assets	**11,448.85**
	Total assets	**15,666.98**
II	**Liabilities**	
	Non- current liabilities	
	(a) Financial liabilities	
	(i) Borrowings	-
	(ii) Other financial liabilities	
	(b) Provisions	14.73
	(c) Deferred tax liability (net)	-
	(d) Other non-current liabilities	183.55
	Total non- current liabilities	**198.28**
	Current liabilities	
	(a) Financial liabilities	
	(i) Borrowings	-

	(ii) Trade payables	
	- Total outstanding dues to micro and small enterprises	-
	- Total outstanding dues to parties other than micro and small enterprises	2,074.39
	(iii) Other financial liabilities	1.38
	(b) Other current liabilities	244.61
	(c) Provisions	29.13
	(d) Current tax Liabilities (net)	
	Total current liabilities	**2,349.51**
	Total liabilities	**2,547.79**

Details of contingent liabilities pertaining to Automobile Seating Undertaking as part of this Schedule

(Amount in Rs.)

Details of Contingent Liabilities of Sitting Business	
As on 31st Dec 2018	
	31.12.18
Excise Matter	2,95,893
Service Tax Matter	-
Labour Court Matter	23,28,073
	26,23,966
Other show cause Notices (Not part of Contingent Liabilities)	
Excise Matter	4,39,416
Service Tax Matter (Surajpur)	26,44,481
	30,83,897
Other Civil Case (Not part of Contingent Liabilities)	
Civil - case (Pathredi)	3,58,742

Annexure 2

Rajesh Mittal

Registered Valuer:- Securities or Financial Assets
[Registration No. IBBI/RV/03/2018/10074]
C-56, Soami Nagar, New Delhi 110017
md@alamakcapital.com/ 011-41329808

March 25, 2019

To,

The Board of Directors
Sharda Motor Industries Limited
D-188, Okhla Industrial Area,
Phase-I, New Delhi - 110020

Sub.: Report on share entitlement ratio for the proposed Scheme of Arrangement between Sharda Motor Industries Limited, NDR Auto Components Limited and their respective shareholders and creditors

Dear Sir / Madam,

We refer to the engagement letter dated February 27, 2019 with Sharda Motor Industries Limited (referred to as "SMIL" / "Demerged Company") to report on reasonableness of share entitlement ratio for the proposed demerger of Automobile Seating Undertaking of SMIL into NDR Auto Components Limited ("NACL" / "Resulting Company"), as a part of Scheme of Arrangement with effect from Appointed date, December 31, 2018 (end of day).

Share entitlement ratio is the number of shares of NACL, that a shareholder of SMIL would be entitled to in proportion to the existing shareholding in SMIL. The definition of Demerged Undertaking as per the draft Scheme provided to us is placed in Annexure I.

SCOPE AND PURPOSE OF ENGAGEMENT

This transaction is proposed under a Scheme of Arrangement under Section 230-232 and other applicable provisions of the Companies Act, 2013, as may be applicable read with Section 66 of the Companies Act, 2013 (the "Scheme"). As per the Scheme, NACL will issue its shares to the shareholders of SMIL as a consideration for the demerger.

This report is subject to the scope limitations, exclusions and disclaimers detailed hereinafter. As such the report is to read in totality and not in parts, in conjunction with the relevant documents referred to therein.

BACKGROUND

Sharda Motor Industries Limited / Demerged Company is a public limited company incorporated under the provisions of Companies Act, 1956 on January 29, 1986 bearing Corporate Identification Number L74899DL1986PLC023202. The registered office of SMIL is situated at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020. The paid up share capital of SMIL as on March 25, 2019 consisted 59,46,326 Equity Shares of face value Rs. 10/- each.The equity shares of SMIL are listed on Bombay Stock Exchange Limited ("BSE") &National Stock Exchange of India Limited ("NSE"). SMIL has the following business undertakings:

RAJESH MITTAL
Regd. No.
IBBI/RV/03/
2018/10074
REGISTERED VALUER

(a) Suspension, Exhaust and Silencer, White goods i.e. Air conditioner, Canopy & components thereof Undertaking (Other than Automobile Seating Undertaking) engaged in manufacturing of suspension, exhaust and silencer, white goods; and

(b) Automobile Seating Undertaking engaged in manufacturing of automobile seating.

NDR Auto Components Limited / Resulting Company is a public limited company incorporated under the provisions of Companies Act, 2013 on March 19, 2019 bearing Corporate Identification Number U29304DL2019PLC347460. The registered office of NACL is situated at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020.The paid up share capital of NACL consist of 10,000 equity shares of face value Rs. 10/- each.The equity shares of NACL are currently not listed on any stock exchange. NACL is a wholly owned subsidiary of SMIL.

As per the draft scheme and discussions with the management of SMIL, we understand that upon demerger, transfer and vesting of Demerged Undertaking in NACL, shares of NACL will be issued to the shareholders of SMIL such that NACL and SMIL will have mirror shareholding upon issue of shares.

SOURCES OF INFORMATION

For the purpose of this exercise, we have,

- Considered the unaudited carved out financials of Demerged Undertaking as on December 31, 2018
- Considered the draft scheme of Arrangement ("Draft Scheme")
- Considered the existing shareholding pattern of SMIL and NACL
- Relied on the representations of Management
- Carried out such other analysis, reviews and inquires as we considered necessary.

SCOPE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS

We have relied upon the information, data and explanations given to us by the Management of SMIL for the purposes of concluding on the reasonableness of Share Entitlement ratio in connection with the proposed demerger. We have not carried out a due diligence or audit of Demerged Undertaking or SMIL nor have we independently investigated or otherwise verified the data provided. We do not express any form of assurance that the financial information or other information as provided by the Management is accurate.

Our conclusions assumes that Demerged Undertaking, SMIL and NACL comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that demerged undertaking are being managed in a competent and reasonable manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in audited carved out balance sheet of Demerged

RAJESH MITTAL Reg. No. IBBI/RV/03/2018/10074 REGISTERED VALUER

Undertaking. Our conclusion on reasonableness of share entitlement ratio assumes that the assets and liabilities of Demerged Undertaking remain intact as of date of forming such opinion on Share Entitlement Ratio.

This Share Entitlement Ratio is essentially based on the information provided by the Management for which SMIL accepts full responsibility. Our review and analysis have been limited to the above mentioned procedures and our analysis is subject to this limitation. Our reliance and use of this information provided by SMIL or the management should not be construed as expression of our opinion on it and we do not and will not accept any responsibility or liability for any inaccuracy in it.

The exercise of valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share entitlement ratio. While we have concluded on the reasonableness of the share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as of the same.

SHARE ENTITLEMENT RATIO

As of the Report date the issued and subscribed paid up capital of SMIL consists of 59,46,326 Equity Shares of face value Rs. 10/- each.

We understand from the Management of SMIL that NACL will be the wholly owned subsidiary of SMIL and it purposes to engage in Automobile seating business (currently, the Company has no commercial business activities).

As per the draft scheme provided to us and information provided by the Management of SMIL, we understand that the 10,000 (Ten Thousand) equity shares of the Resulting Company of Rs. 10/- each held by the Demerged Company comprising of 100% of the total issued and paid-up capital of the Resulting Company as on Effective date of the Scheme shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the Capital reserve account of the Resulting Company. (Refer to Share Cancellation Clauses as per the Draft Scheme provided to us in Annexure I)

We understand that in consideration of the demerger of Demerged Undertakings, the Management proposes to issue:

"for every 1 equity share of face value of INR 10/- (Rupees Ten only) each held in SMIL as on the Record Date, the equity shareholders of SMIL shall be issued 1 equity share of face value INR 10/- (Rupees Ten only) each credited as fully paid-up in NACL"

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for NACL is identical to that of SMIL, the beneficial economic interest of SMIL shareholders in NACL will remain same at the time of demerger.

We believe that the abovementioned share entitlement ratio is fair and reasonable considering that all the shareholders of SMIL are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio as they hold shares in SMIL, as on record date to be decided by the management of SMIL.

RAJESH
Reg. No.
IBBI/RV/0
3/2018/1007
TERED

Rajesh Mittal
Registered Valuer:- Securities or Financial Assets
[Registration No. IBBI/RV/03/2018/10074]
C-56, Soami Nagar, New Delhi 110017
md@alamakcapital.com/ **011-41329808**

Our report and share entitlement ratio is based on the current equity share capital structure of the Companies and proposed cancellation of existing share capital of SMIL. Any variation in the equity capital structure of the companies apart from the above mentioned prior to the Scheme of Arrangement becomes effective may have an impact on share entitlement ratio.

Thanking you,

Yours sincerely,

RAJESH MITTAL
Reg. No
IBBI/RV/03/
2018/10074
REGISTERED VALUER

Rajesh Mittal
Registered Valuer
[IBBI Reg. No. IBBI/RV/03/2018/10074]

Rajesh Mittal
Registered Valuer:- Securities or Financial Assets
[Registration No. IBBI/RV/03/2018/10074]
C-56, Soami Nagar, New Delhi 110017
md@alamakcapital.com/ 011-41329808

Annexure I

"Demerged Undertaking" (Clause 1.4 of the Draft Scheme)

1.4 "**Automobile Seating business**" or "**Automobile Seating Undertaking**" of SMIL means all the businesses, undertakings, activities, properties and liabilities, whatsoever nature and kind and wheresoever situated, of SMIL pertaining to the Automobile Seating business, including specifically the following:

1.4.1 all immovable properties (As listed in Schedule I of this Scheme) i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including but not limited to offices, structures, warehouses, workshop, sheds, stores, DG Room, roads, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the Automobile Seating business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

1.4.2 all assets, as are movable in nature pertaining to and in relation to the Automobile Seating business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished good packaging items, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other, persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to goods and services tax credit, service tax input credits, CENVAT credits, value added tax/sales tax/entry tax credits or set-offs, advance tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds;

1.4.3 all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by relevant Pollution Control Boards and other licenses/permits granted/issued/ given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the Automobile Seating business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Automobile Seating business;

1.4.4 all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment

RAJESH MITTAL Reg. No. IBBI/RV/03/2018/10074 REGISTERED VALUER

purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Automobile Seating business;

1.4.5 all applications(including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Automobile Seating business;

1.4.6 all rights to use and avail telephones, telexes, facsimile, email, Internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by SMIL pertaining to or in connection with or relating to the Automobile Seating business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by SMIL and pertaining to the Automobile Seating business;

1.4.7 all books, records, files, papers, engineering- and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product' registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Automobile Seating business;

1.4.8 all debts, liabilities including contingent liabilities, duties, taxes and obligations of SMIL pertaining to the Automobile Seating Undertaking and/or arising out of and/or relatable to the Automobile Seating business and including:

a) the debts, liabilities, duties and obligations of SMIL which arises out of the activities or operations of the Automobile Seating business; and
b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Automobile Seating Business.

1.4.9 all employees of SMIL employed/engaged in the Automobile Seating business as on the Effective Date; and

1.4.10 all legal or other proceedings of whatsoever nature that pertain to the Automobile Seating business.

RAJESH MITTAL
Reg. No: IBBI/RV/03/2018/10074
REGISTERED VALUER

Rajesh Mittal
Registered Valuer:- Securities or Financial Assets
[Registration No. IBBI/RV/03/2018/10074]
C-56, Soami Nagar, New Delhi 110017
md@alamakcapital.com/ 011-41329808

Share Cancellation Clause (Clause 13.3 and 13.7 of Draft Scheme)

Clause 13.3

"Upon the Scheme being effective, the investment of SMIL in NACL shall stand cancelled. Upon cancellation, SMIL shall credit its investment in NACL, the value of investment held by SMIL in NACL, which stands cancelled and the same shall be debited to the current year Profit and Loss Account of SMIL."

Clause 13.7

"In respect of cancellation of shares held by SMIL, NACL shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by SMIL in NACL with a corresponding credit to Capital Reserve of NACL."

RAJESH MITTAL Reg. No. IBBI/RV/03/2018/10074 REGISTERED VALUER

SCHEDULE - 1

IMMOVABLE PROPERTIES

List of immovable property(ies) forming part of Automobile Seating business, owned by SMIL

Location (Address)
C-506, Block-C, Pioneer Industrial Park (Village Bhudka), Pathredi, Gurgaon, Haryana

RAJESH MITTAL
Reg. No.
IBBI/RV/03/
2018/10074
REGISTERED VALUER

SUNDAE
Sundae Capital Advisors Private Limited
CIN: U65990DL2016PTC305412

611, Shahpuri Tirath Singh Tower
58, C - Block, Community Centre
Janak Puri, New Delhi - 110 058

Ph.: +91 11 4914 9740
E-mail: info@sundaecapital.com
www.sundaecapital.com

March 25, 2019

To,
The Board of Directors
Sharda Motor Industries Limited
D-188, Okhla Industrial Area,
Phase-I, New Delhi - 110020

Sub.: Fairness opinion towards the valuation for the proposed Scheme of Arrangement between Sharda Motor Industries Limited,NDR Auto Components Limitedand their respective shareholders and creditors

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited (referred to as "Sundae" or "We"), refer to the engagement letter dated February 27, 2019 with Sharda Motor Industries Limited (referred to as "SMIL" / "Demerged Company"), wherein we have been requested to provide an opinion on the captioned subject on the basis of the Share Entitlement Report dated March 25, 2019 issued by Rajesh Mittal, Registered Valuer (IBBI Reg. No. IBBI/RV/03/2018/10074) (referred to as "Valuer").

SCOPE AND PURPOSE OF THIS REPORT

The equity shares of Sharda Motor Industries Limited are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited (BSE"). The Company in its Board Meeting held on February 25, 2019, in-principally agreed to the proposed demerger of the Automotive Seating Business. The said demerger is proposed to be implemented by undertaking a Scheme of Arrangement between Sharda Motor Industries Limited (referred to as "Demerged Company") and NDR Auto Components Limited("NACL" or "Resulting Company") and their respective shareholders and creditors (the "Scheme of Arrangement").

This Fairness Report is being issued in accordance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, on the valuation of the proposed Scheme of Arrangement. This certificate has been issued for the sole purpose to facilitate the companies to comply with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it shall not be valid for any other purpose.

COMPANY BACKGROUND

Sharda Motor Industries Limited / Demerged Company is a public limited company incorporated under the provisions of Companies Act, 1956 on January 29, 1986 bearing Corporate Identification Number L74899DL1986PLC023202. The registered office of SMIL is situated at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020. The equity shares of SMIL are listed on Bombay Stock Exchange Limited ("BSE") &National Stock Exchange of India Limited ("NSE"). The capital Structure of the SMIL is as under:

Sundae Capital Advisors Private Limited

Particulars	Amount (INR)
Authorized Share Capital	
5,00,00,000 Equity Shares of INR 10 each	50,00,00,000
Total	**50,00,00,000**
Issued, Subscribed and Paid Up Share Capital	
59,46,326 Equity Shares of INR 10 eachfully paid up	5,94,63,260
Total	**5,94,63,260**

SMIL has the following business undertakings:

(a) Suspension, Exhaust and Silencer, White goods i.e. Air conditioner, Canopy & components thereof Undertaking (Other than Automobile Seating Undertaking) engaged in manufacturing of suspension, exhaust and silencer, white goods; and

(b) Automobile Seating Undertaking engaged in manufacturing of automobile seating.

NDR Auto Components Limited / Resulting Company is a public limited company incorporated under the provisions of Companies Act, 2013 on March 19, 2019 bearing Corporate Identification Number U29304DL2019PLC347460. The registered office of NACL is situated at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020.The equity shares of NACL are currently not listed on any stock exchange. NACL is a wholly owned subsidiary of SMIL. The capital structure of NACL is as under:

Particulars	Amount (INR)
Authorized Share Capital	
10,000 Equity Shares of INR 10 each	100,000
Total	**100,000**
Issued, Subscribed and Paid Up Share Capital	
10,000 Equity Shares of INR 10 each fully paid up	100,000
Total	**100,000**

SUMMARY OF PROPOSED TRANSACTION

The management of SMIL has decided on restructuring the business of the Company by way of a Scheme of Arrangement whereby the Automobile Seating Undertaking of SMIL will be demerged into NACL as a going concern with effect from the Appointed Date. The transaction is proposed under the Scheme of Arrangement under section 230-232 and other applicable provisions of Companies Act, 2013 read with Section 66 of the Companies Act, 2013.

Pursuant to the Scheme, NACL will issue its equity shares to the shareholders of SMIL as a consideration to transfer the Automobile Seating Undertaking of SMIL engaged in manufacturing of automobile seating. Further, the investment of SMIL in NACL shall stand cancelled.

As presented by Management, The transfer and vesting by way of a demerger shall achieve the following benefits for SMIL and NACL:

(A) The Automobile Seating Undertaking carried on by SMIL has significant potential for growth. The nature of risk, competition, challenges, opportunities and business methods for the Automobile Seating Undertaking is separate and distinct from the other business of the Company. The

Sundae Capital Advisors Private Limited

Automobile Seating Undertaking would become capable of attracting a different set of investors, strategic partners, lenders and other stakeholders and would further enhance the shareholders wealth.

(B) The management teams and Board of Directors of SMIL and NACL would be able to chart out independent strategies of their respective businesses to maximize value creation for their respective stakeholders. Demerger shall enhance focus of management on the operations of the Automobile Seating Undertaking by NACL and Suspension, Exhaust and Silencer, White goods Undertaking (Other than Automobile Seating Undertaking)by SMIL.

(C) As part of the Resulting Company, the Automobile Seating business shall be amenable to benchmarking, and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.

(D) The demerger will permit increased focus by SMIL and NACL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

SOURCE OF INFORMATION AND REPRESENTATIONS

For the purpose of forming our opinion on the Share Entitlement Report, we have relied on the discussions with the Management of SMIL and the following information and documents made available to us:

- Valuation Report dated March 25, 2019 by Rajesh Mittal, Registered Valuer;
- Memorandum and Articles of Association of the Demerged Company and Resulting Company;
- Audited Financial Statements of the Demerged Company for the Financial Years ended on March 31, 2018, 2017 and 2016 and limited reviewed financial statements for the nine months period ended December 31, 2018;
- Unaudited carved out financials of Demerged Undertaking as on December 31, 2018,
- Draft Scheme of Arrangement for the proposed transaction.
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of SMIL. Our analysis considers those facts and circumstances present at the Demerged Company and Resulting Company at the date of this Fairness Opinion. Our opinion would most likely to be different if another date was used.

EXCLUSIONS AND LIMITATIONS

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by SMIL for the purpose of this opinion. With respect to the estimated financials, if any, provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the management of SMIL. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the Demerged Company or the Resulting company. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of the Demerged Company or the Resulting company (other than

Sundae Capital Advisors Private Limited

SUNDAE

those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Demerged Company or the Resulting Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Demerged Company or the Resulting Company. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the Demerged Company or the Resulting Company for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Demerged Company or the Resulting Company with respect to these matters. In addition, we have assumed that the Proposed Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Proposed Scheme of Arrangement.

We understand that the managements of the Demerged Company or ResultingCompany during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that the Demerged Company or the Resulting company may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the Demerged Company or the Resulting company or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the Demerged Company or the Resulting company for providing a fairness opinion on the proposed transaction and will receive professional fees for our services. In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, valuations, etc. We may be providing various other unrelated independent professional advisory services to the Demerged Company or the Resulting company in the ordinary course of our business.

It is understood that this letter is solely for the benefit of and use by the Board of Directors of the Demerged Company or the Resulting company for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law. Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

Sundae Capital Advisors Private Limited

SUNDAE

We express no opinion whatever and make no recommendation at all as to the Demerged Company or the Resulting company underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Demerged Company or the Resulting company should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the Demerged Company or Resulting Company will trade following the announcement of the transaction or as to the financial performance of the Demerged Company or the Resulting Company following the consummation of the transaction.

In no circumstances however, will Sundae or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with the Demerged Company.

OUR OPINION

With reference to above and based on information and explanation provided by the management representative of Demerged Company and after analyzing the Draft Scheme of Arrangement, we understand that since Resulting Company is wholly owned subsidiary of Demerged Company, the set of shareholders and holding proportion being proposed for NACL is identical to SMIL, the beneficial economic interest of SMIL shareholders in NACL will remain same at the time of demerger. Hence, the Valuer has recommended as under:
"for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date, the equity shareholders of SMIL shall be issued 1 equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL."

Based on the information, data made available to us, including the Share Entitlement Report of Rajesh Mittal, Registered Valuer, to the best of our knowledge and belief, the entitlement ratio arrived at by Rajesh Mittal, Registered Valuer under the Draft Scheme of Arrangement, in our opinion, is fair considering that all the shareholders of SMIL are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in SMIL, as on record date to be decided by the Management of SMIL

The aforesaid Scheme of Arrangement shall be subject to the receipt of approvals from NCLT and other statutory authorities as may be required. The detailed terms and conditions are more fully set forth in the Draft Scheme of Arrangement. Sundae has issued this Fairness Opinion with the understanding the Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion shall not stand good in case the final Scheme of Arrangement alters the transaction.

*For **Sundae Capital Advisors Private Limited***
(SEBI Regn. No. INM000012494)

Sundae Capital Advisors Private Limited

Anchal Lohia
Manager

Annexure 4

EXPERIENCE THE NEW

DCS/AMAL/JR/R37/1550/2019-20 **August 19, 2019**

The Company Secretary,
Sharda Motor Industries Ltd
D-188, Phase- I, Okhla Industrial Area,
New Delhi, Delhi, 110020

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Sharda Motor Industries Limited and NDR Auto Components Limited

We are in receipt of Draft Scheme of Arrangement by Sharda Motor Industries Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated August 16, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of NDR Auto Components Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, NDR Auto Components Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

EXPERIENCE THE NEW

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of NDR Auto Components Limited is at the discretion of the Exchange. In addition to the above, the listing of NDR Auto Components Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about NDR Auto Components Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all the information NDR Auto Components Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about NDR Auto Components Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii. "There shall be no change in the shareholding pattern of NDR Auto Components Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

EXPERIENCE THE NEW

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Nitinkumar Pujari
Senior Manager

BSE - INTERNAL

NSE

National Stock Exchange Of India Limited

Ref: NSE/LIST/20689_II August 19, 2019

The Company Secretary
Sharda Motor Industries Limited
D-188, Okhla Industrial Area, Phase-I,
New Delhi - 110020

Kind Attn.: Mr. Nitin Vishnoi

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement between Sharda Motor Industries Limited and NDR Auto Components Limited and their respective shareholders and creditors

We are in receipt of the Draft Scheme of Arrangement between Sharda Motor Industries Limited and NDR Auto Components Limited and their respective shareholders and creditors vide application dated April 23, 2019.

Based on our letter reference no Ref: NSE/LIST/81167 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated August 16, 2019, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circular.*

c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

This Document is Digitally Signed

Signer: Rajendra P Bhosale
Date: Mon, Aug 19, 2019 16:57:04 IST
Location: NSE

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from August 19, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

NSE

Signer: Rajendra P Bhosale
Date: Mon, Aug 19, 2019 16:57:04 IST
Location: NSE

Sharda Motor Industries Ltd.

Date: 17th May, 2019

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001

Sub.: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Sharda Motor Industries Limited "Demerger Company" and NDR Auto Components Limited "Resulting Company" and their respective Shareholders and Creditors

Ref: : Submission of "Complaints report" in the format prescribed at Annexure III of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10.2017 ("SEBI circular")

Dear Sir,

We refer to our Application under Regulation 37 of the Listing Regulations submitted to BSE Limited on 23rd April, 2019, enclosing all the applicable documents as required under the SEBI circular.

The draft Scheme and the related documents thereon were hosted by your good authority, on your website at www.bseindia.com on 24th April, 2019, therefore in furtherance to our Application, we are hereby submitting the Complaint Report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

It is further requested to kindly take the above on record and issue the necessary "No-Objection" letter with respect to the Scheme between Sharda Motor Industries Limited and NDR Auto Components Limited.

The Complaint Report has been annexed herewith as Annesure 1.

Thanking you,
Yours faithfully
For or on behalf Sharda Motor Industries Limited

Divyang Jain

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

Divyang Jain
Assistant Company Secretary

Encl. as above

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)
Tel.: 91-11-47334100, Fax : 91-11-26811676
E-mail : smil@shardamotor.com, Website : www.shardamotor.com
CIN NO-L74899DL1986PLC023202

ANNEXURE 1

Complaints Report as on 17th May, 2019 as per Annexure III of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Part A

Sr.No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges / SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr.No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For or on behalf of Sharda Motor Industries Limited

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

Nitin Vishnoi
Company Secretary

Date: 17th May, 2019
Place: Delhi

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)
Tel.: 91-11-47334100, Fax : 91-11-26811676
E-mail : smil@shardamotor.com, Website : www.shadamotor.com
CIN NO-L74899DL1986PLC023202

Date: 13th June, 2019

To,

Mr. Saurabh Singh

Deputy Manager – Listing Compliance

National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra Kurla Complex,

Bandra East, Mumbai - 400051

Sub.: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" for the proposed Scheme of Arrangement between Sharda Motor Industries Limited "Demerger Company" and NDR Auto Components Limited "Resulting Company" and their respective Shareholders and Creditors

Ref.: Submission of "Complaints Report" for a period from 22nd May, 2019 to 12th June, 2019 in the format prescribed at Annexure III of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("SEBI circular")

Dear Sir/ Madam,

We refer to our Application / Case No. - NSE/LIST/20689 under Regulation 37 of the Listing Regulations submitted to National Stock Exchange of India Limited (NSE) on 23rd April, 2019, enclosing all the applicable documents as required under the SEBI circular.

The draft Scheme and the related documents thereon were hosted by your good authority, on your website at www.nseindia.com on 22nd May, 2019, therefore in furtherance to our aforesaid Application, we are hereby submitting herewith the Complaint Report for a period from 22nd May, 2019 to 12th June, 2019 as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017.

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

It is further requested to kindly take the above on record and issue the necessary "No-Objection" letter with respect to the Scheme of Arrangement filed between the Sharda Motor Industries Limited and NDR Auto Components Limited.

The Complaint Report has been annexed herewith as Annexure - I.

Thanking you,

Yours faithfully

For **Sharda Motor Industries Limited**

Divyang

Divyang Jain
Asst. Company Secretary

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

Encl. as above

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)
Tel.: 91-11-47334100, Fax : 91-11-26811676
E-mail : smil@shardamotor.com, Website : www.shadamotor.com
CIN NO-L74899DL1986PLC023202

ANNEXURE - I

Complaints Report for a period from 22nd May, 2019 to 12th June, 2019, as per Annexure III of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Part A

Sr.No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges / SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr.No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For or on **behalf of Sharda Motor Industries Limited**

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

Nitin Vishnoi
Company Secretary

Date: 13th June, 2019

Place: Delhi

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)
Tel.: 91-11-47334100, Fax : 91-11-26811676
E-mail : smil@shardamotor.com, Website : www.shadamotor.com
CIN NO-L74899DL1986PLC023202

Annexure 7

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SHARDA MOTOR INDUSTRIES LIMITED ON 5TH APRIL, 2019 EXPLAINING EFFECT OF THE SCHEME OF ARRANGEMENT ON THE SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER) & KEY MANAGERIAL PERSONNEL OF THE COMPANY

Background

The Board of Directors of Sharda Motor Industries Limited ("SMIL" or "the Company") at its meeting held on 5th April, 2019 had considered and approved the Scheme of Arrangement between Sharda Motor Industries Limited ("SMIL" or "Demerged Company") and NDR Auto Components Limited ("Resulting Company" or "NACL"), and their respective Shareholders and Creditors under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), which provides for demerger of the Automobile Seating undertaking of the Company and transfer and vesting thereof into the Resulting Company.

While deliberating on the Scheme, the Board had inter alia considered and taken on record:

- Scheme of Arrangement;
- Share Entitlement Ratio Report dated 25th March, 2019 issued by Mr. Rajesh Mittal, Chartered Accountants, Registered Valuer providing the share entitlement ratio as under:

  "for every 1 (One) equity share of face value of Rs. 10/- (Rupees ten only) each held in SMIL as on the record date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value Rs. 10/- (Rupees ten only) each credited as fully paid-up in NACL."
- Fairness Opinion dated 25th March, 2019 issued by M/s. Sundae Capital Advisors Private Limited, a SEBI Registered Merchant Banker;
- Certificate of M/s. Gupta Vigg & Co., Chartered Accountants, (Statutory Auditors) confirming that the accounting treatment outlined in the Scheme is in compliance with the applicable accounting standards notified under the Companies Act, 2013 and other generally accepted accounting principles.
- Report of the Audit Committee dated 25th March, 2019, recommending the Scheme to the Board for approval;
- Undertaking from the Company with regard to the non-applicability of the requirements prescribed in Paragraph (I)(A)(9) of the SEBI Circular CFD/DIL3/CIR/2017/21 to the Scheme; and
- Certificate from the Statutory Auditors, M/s. Gupta Vigg & Co, Chartered Accountants, certifying the undertaking from the Company with regard to the non-applicability of the requirements prescribed in Paragraph (I)(A)(9) of the SEBI Circular CFD/DIL3/CIR/2017/21 to the Scheme

After taking on record the documents / confirmations referred above the Board of SMIL approved the Scheme of Arrangement with 31st December, 2018, as appointed date.

As per Section 232(2) (c) of the Companies Act 2013, a report adopted by the board explaining the effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoters shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, is required to be circulated for the meeting of the Shareholders and Creditors pursuant to the orders of the Tribunal.

The following is the Report taking into consideration the aforesaid provisions:

1. <u>Share Entitlement Ratio</u>

For the Scheme, the Share Entitlement Report was obtained from Mr. Rajesh Mittal, Chartered Accountants, who had recommended the following ratio in their reports dated 25th March, 2019:

"for every 1 (One) equity shares of face value of Rs. 10/- (Rupees ten only) each held in SMIL as on the record date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value Rs. 10/- (Rupees ten only) each credited as fully paid-up in NACL."

No special valuation difficulties were reported by Mr. Rajesh Mittal, Chartered Accountants in their aforesaid report.

Fairness Opinion was also obtained from M/s. Sundae Capital Advisors Private Limited, a SEBI Registered (Category-I) Merchant Banker dated 25th March, 2019.

2. <u>Effect of the Scheme</u>

2.1. **<u>Promoters/Non-Promoter Shareholders of SMIL</u>**

- There is only one class of shareholders. i.e. equity shareholders, which includes the promoter as well as non-promoter shareholders of SMIL;

- On demerger, the shareholders of SMIL would receive shares in NACL based on the above mentioned Share Entitlement Ratio.
- There would be no dilution or increase in the shareholding of the promoter or the non-promoter shareholders of SMIL; and
- Further, the shareholders of SMIL, classified as promoters and public currently, receiving equity shares in NACL upon demerger would be classified as promoters and public in NACL in the same manner as that in SMIL.

2.2. **Employees including Key Managerial Persons ("KMP") of SMIL**

- ***Employees and KMPs as shareholders of SMIL***

  Employees including KMPs who hold shares in SMIL on the Record Date would be allotted shares in NACL on the basis of the above mentioned Share Entitlement Ratio.

- ***Employees and KMPs as executive of SMIL***

  Pursuant to the demerger, employees in relation to the Automobile Seating undertaking of SMIL would be transferred to NACL on the same terms and conditions which were applicable to such employees in SMIL, immediately prior to the demerger of the Automobile Seating undertaking. No rights of the staff or the employees of the Company are being affected as a result of the proposed Scheme. Further, there shall be no impact of the proposed Scheme on the KMPs of SMIL.

2.3. **Creditors**

Under the proposed Scheme, there is no arrangement with the creditors (either secured or unsecured) of the Company. No compromise is offered under the proposed Scheme to any of the creditors of the Company. The liability towards the creditors of the Company is being neither reduced nor extinguished and consequently, the creditors of the Company will not be affected in any manner by the proposed Scheme.

2.4. **Debenture holders / depositors**

As on date, the Company does not have any debenture holders or public deposits.

2.5. **Debenture trustees / deposit trustees**

As on date, the Company does not have any debenture trustee or deposit trustee.

2.6. **Directors**

The directors of the Company or their relatives do not have any other interest in the proposed Scheme except to the extent of their shareholding, if any. Further, none of the directors and / or relatives of the directors of the Company are concerned or interested, financially or otherwise, in the proposed Scheme.

There shall be no change in the Directors of SMIL pursuant to demerger.

Apart from the above, the Scheme does not affect the material interests of any of the key managerial personnel, promoters, shareholders, creditors or employees of the SMIL in any manner.

Adopted at the meeting of the Board of Directors of the Company held at Samaya Conference Room, Hotel ITC Maurya, Diplomatic Enclave, Sardar Patel Marg, New Delhi-110021, on 5th April, 2019.

On behalf of the Board

Sd/-
Ajay Relan
Managing Director
Sharda Motor Industries Limited

Place : Delhi
Date : 05.04.2019

Annexure 8

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NDR AUTO COMPONENTS LIMITED ON 5TH APRIL, 2019, EXPLAINING EFFECT OF THE SCHEME OF ARRANGEMENT ON THE SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER) & KEY MANAGERIAL PERSONNEL OF THE COMPANY

Background

The Board of directors of NDR Auto Components Limited ("NACL" or "the Company") at its meeting held on 5th April 2019 had considered and approved the Scheme of Arrangement between Sharda Motor Industries Limited ("SMIL" or "Demerged Company") and NDR Auto Components Limited ("NACL" or Resulting Company") and their respective Shareholders and Creditors under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), which provides for demerger of the Automobile Seating undertaking of SMIL and transfer and vesting thereof into NACL.

While deliberating on the Scheme, the Board had inter alia considered and taken on record:

- Scheme of Arrangement;
- Share Entitlement Ratio Report dated 25th March, 2019 issued by Mr. Rajesh Mittal, Chartered Accountants, providing the share entitlement ratio as under:

  "for every 1 (One) equity shares of face value of Rs.10/- (Rupees ten only) each held in SMIL as on the record date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value Rs. 10/- (Rupees ten only) each credited as fully paid-up in NACL."
- Fairness Opinion dated 25th March, 2019 issued by M/s. Sundae Capital Advisors Private Limited.

After taking on record the documents / confirmations referred above the Board of NACL approved the Scheme of Arrangement with 31stDecember, 2018 (end of day) as the Appointed Date.

As per Section 232(2) (c) of the Companies Act 2013, a report adopted by the board explaining the effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoters shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, is required to be circulated forthemeeting of the Shareholders and Creditors pursuant to the orders of the Tribunal.

The following is the Report taking into consideration the aforesaid provisions:

1. <u>Share Entitlement Ratio</u>

For the Scheme, the Share Entitlement Report was obtained from Mr. Rajesh Mittal, Chartered Accountants, Registered Valuer who had recommended the following ratio in their reports dated 25th March, 2019:

"for every 1 (One) equity share of face value of Rs.10/- (Rupees ten only) each held in SMIL as on the record date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value Rs. 10/- (Rupees ten only) each credited as fully paid-up in NACL."

No special valuation difficulties were reported by Mr. Rajesh Mittal, Chartered Accountants in their aforesaid report.

2. <u>Effect of the Scheme</u>

2.1. **<u>Promoters/Non-Promoter Shareholders of NACL</u>**

- There is only one class of shareholders. i.e. equity shareholders.
- The entire equity share capital of NACL is held by SMIL (Promoter) and its nominees. The Company does not have any non-promoter shareholders.
- Upon the Scheme becoming effective, the existing equity shares of NACL, held by SMIL along with its nominees shall stand cancelled, extinguished and annulled as enshrined in Clause 12 of the Scheme.
- On demerger, NACL will issue and allot its equity shares to each member of SMIL, whose name is recorded in the register of members on the Record Date, as per the above mentioned share entitlement ratio.
- Upon the Scheme becoming effective, the shareholding pattern of NACL shall be identical to the shareholding pattern of SMIL,and thus, the overall economic interest of equity shareholders of SMIL shall remain the same.

2.2. **<u>Employees including Key Managerial Persons ("KMP") of NACL</u>**

- ***Employees and KMPs as shareholders of NACL***

  No impact as entire share capital of NACL is held by SMIL.
- ***Employees and KMPs as executives of NACL***

  Pursuant to the demerger, employees in relation to the Automobile Seating undertaking of SMIL would be transferred to NACL on the same terms and conditions which were applicable to such employees in SMIL, immediately prior to the demerger of the Automobile Seating undertaking. No rights of the staff or the employees of the Company are being affected as a result of the proposed Scheme.

2.3. **Creditors**

Under the proposed Scheme, there is no arrangement with the creditors (either secured or unsecured) of the Company. No compromise is offered under the proposed Scheme to any of the creditors of the Company. The liability towards the creditors of the Company is being neither reduced nor extinguished and consequently, the creditors of the Company will not be affected in any manner by the proposed Scheme.

2.4. **Debenture holders / depositors**

As on date, the Company does not have any debenture holders or public deposits.

2.5. **Debenture trustees / deposit trustees**

As on date, the Company does not have any debenture trustee or deposit trustee.

2.6. **Directors**

The directors of the Company or their relatives do not have any other interest in the proposed Scheme except to the extent of their shareholding, if any. Further, none of the directors and / or relatives of the directors of the Company are concerned or interested, financially or otherwise, in the proposed Scheme.

There shall be no change in the Directors of NACL pursuant to demerger.

Apart from the above, the Scheme does not affect the material interests of any of the key managerial personnel, promoters, shareholders, creditors or employees of the NACL in any manner.

Adopted at the meeting of the Board of Directors of the Company held at the Registered Office of the Company, on 5th April, 2019.

On behalf of the Board of NDR Auto Components Limited

Sd/-
Dharam Asrey Aggarwal
Director
DIN: 07720007

Date: 16th April, 2019
Place: Delhi

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
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

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 Statement of Compliance:

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 Basis of preparation and presentation:

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 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 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 Use of estimates and judgements:

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.

Judgements

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

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.

2.5 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 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 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 <u>Impairment of tangible and intangible assets:</u>

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 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**

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) 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

Annexure 10

Sharda Motor Industries Limited

Balance Sheet as at 31st December, 2018

(Rs. in Lakhs)

S. No.	Particulars	Sharda Motor Industries Ltd. Standalone As at December 31, 2018 (Unaudited)	Resulting Company As at December 31, 2018 (Unaudited)	Demerged Company As at December 31, 2018 (Unaudited)
I.	**Assets**			
	Non-current assets			
	(a) Property, plant and equipment	19,138.71	3,988.26	15,150.45
	(b) Capital work in progress	40.63	6.50	34.13
	(c) Intangible assets	253.64	8.02	245.62
	(d) Financial assets			
	(i) Investments	216.25	165.50	50.75
	(ii) Other financial assets	284.28	49.85	234.44
	(e) Non-current tax asset (net)	180.14	-	180.14
	(f) Other non-current assets	1,226.95	-	1,226.95
	Total non-current assets	**21,340.60**	**4,218.13**	**17,122.47**
	Current assets			
	(a) Inventories	9,352.32	945.49	8,406.83
	(b) Financial assets			
	(i) Investments	12,760.33	1,427.33	11,333.00
	(ii) Trade receivables	10,926.00	1,739.12	9,186.88
	(iii) Cash and cash equivalents	1,246.11	1,246.11	-
	(iv) Bank balances other than (iii) above	6,071.56	6,071.56	(0.00)
	(v) Other financial assets	276.61	8.84	267.77
	(c) Other current assets	545.32	10.32	534.99
	(d) Asset classified as held for sale	19.58	0.08	19.49
	Total current assets	**41,197.83**	**11,448.86**	**29,748.97**
	Total assets	**62,538.43**	**15,666.99**	**46,871.44**
II.	**Equity And Liabilities**			
	Equity			
	(a) Equity share capital	594.63	594.63	594.63
	(b) Other equity	40,767.55	12,524.57	27,648.35
	Total equity	**41,362.18**	**13,119.20**	**28,242.98**
	Liabilities			
	Non- current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	-	-	-
	(ii) Other financial liabilities	-	-	-
	(b) Provisions	278.36	14.73	263.63
	(c) Deferred tax liability (net)	601.02	-	601.02
	(d) Other non-current liabilities	218.26	183.55	34.71
	Total non- current liabilities	**1,097.64**	**198.28**	**899.36**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	917.23	-	917.23
	(ii) Trade payables			
	- Total outstanding dues to micro and small enterprises	-	-	-
	- Total outstanding dues to parties other than micro and small enterprises	16,302.71	2,074.39	14,228.32
	(iii) Other financial liabilities	75.97	1.38	74.59
	(b) Other current liabilities	2,584.22	244.61	2,339.61
	(c) Provisions	198.48	29.13	169.35
	(d) Current tax Liabilities (net)	-	-	-
	Total current liabilities	**20,078.60**	**2,349.51**	**17,729.09**
	Total liabilities	**21,176.25**	**2,547.79**	**18,628.45**
	Total equity and liabilities	**62,538.43**	**15,666.99**	**46,871.43**

The Above figures are re-casted/derived from the standalone financials of the compnay and is in line with Draft demerger scheme as approved by the Board of Directors.

As per our report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place : New Delhi
Dated : 05/04/2019

For SHARDA MOTOR INDUSTRIES LTD.

Ajay Relan
(Managing Director)

arda Motor Industries Limited

atement of Standalone Profit & Loss for the period ended 31st December, 2018

(Rs. in Lakhs)

S. No.	Particulars	Sharda Motor Industries Ltd. Standalone	Resulting Company	Demerged Company
		For the period ended 31-12-2018	For the period ended 31-12-2018	For the period ended 31-12-2018
		(Unaudited)	(Unaudited)	(Unaudited)
1	**Revenue**			
	a. Revenue from Operations	85,476.20	17,413.56	68,062.65
	b. Other Income	1,308.70	123.67	1,185.02
	Total Income (a+b)	**86,784.90**	**17,537.23**	**69,247.67**
2	**Expenses**			
	a. Cost of Raw Material Consumed	53,276.08	12,418.51	40,857.57
	b. Purchases of Stock in Trade	4,972.26	-	4,972.26
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(446.40)	138.04	(584.44)
	d. Excise duty on Sales	-	-	-
	e. Employees Benefits Expense	6,793.92	548.81	6,245.10
	f. Depreciation and Amortization Expense	2,906.70	512.48	2,394.22
	g. Finance Cost	3.41	-	3.41
	h. Other Expenses	10,185.31	2,498.04	7,687.28
	Total Expenses	**77,691.29**	**16,115.88**	**61,575.41**
3	**Profit from Operations before exceptional Items & Tax (1-2)**	**9,093.61**	**1,421.35**	**7,672.26**
4	Exceptional Items	-	-	-
5	**Profit before Tax (3-4)**	**9,093.61**	**1,421.35**	**7,672.26**
6	Tax Expense			
	a. Current Tax	2,971.71	-	2,971.71
	b. Deferred Tax	(181.94)	-	(181.94)
	Total Tax Expenses	**2,789.76**	-	**2,789.76**
7	**Profit for the period/year (5-6)**	**6,303.85**	**1,421.35**	**4,882.50**
8	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit or Loss	5.59	0.71	4.88
	(ii) Tax(benefit)/expense on items that will not be reclassified to profit or loss	(1.95)	-	(1.95)
	Total Other Comprehensive Income	**3.64**	**0.71**	**2.93**
9	**Total Comprehensive Income for the period (7+8)**	**6,307.49**	**1,422.06**	**4,885.43**

The Above figures are re-casted/derived from the standalone financials of the compnay and is in line with Draft demerger scheme as approved by the Board of Directors.

As per our report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place : New Delhi
Dated : 05/04/2019

For SHARDA MOTOR INDUSTRIES LTD.

Ajay Relan
(Managing Director)

BALANCE SHEET AS AT MARCH 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2019	As At March 31, 2018
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	19,239.26	17,472.11
(b) Capital work in progress	5	26.84	36.28
(c) Intangible assets	6	176.14	440.00
(d) Financial assets			
(i) Investments	7	217.25	216.25
(ii) Other financial assets	8	307.04	284.70
(e) Non-current tax asset (net)	9	74.57	50.06
(f) Other non-current assets	10	1,833.96	872.18
Total non-current assets		**21,875.06**	**19,371.58**
Current assets			
(a) Inventories	11	10,310.04	8,562.04
(b) Financial assets			
(i) Investments	7	8,235.82	10,407.08
(ii) Trade receivables	12	13,211.46	12,240.73
(iii) Cash and cash equivalents	13	7,042.48	2,200.73
(iv) Bank balances other than (iii) above	14	7,070.79	5,170.17
(v) Other financial assets	8	188.16	160.27
(c) Other current assets	10	511.10	548.11
(d) Asset held for sale	30	19.57	19.58
Total current assets		**46,589.41**	**39,308.71**
Total assets		**68,464.48**	**58,680.29**
II. Equity and liabilities			
Equity			
(a) Equity share capital	15	594.63	594.63
(b) Other equity	16	43,233.95	34,908.13
Total equity		**43,828.58**	**35,502.76**
Liabilities			
Non- current liabilities			
(a) Provisions	20	524.03	423.43
(b) Deferred tax liabilities (net)	32	595.20	781.02
Total non- current liabilities		**1,119.23**	**1,204.45**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
- Total outstanding dues of micro and small enterprises		345.24	-
- Total outstanding dues of creditors other than micro and small enterprises		18,771.08	18,291.78
(ii) Other financial liabilities	18	1,075.19	516.29
(b) Other current liabilities	19	2,859.89	2,762.83
(c) Provisions	20	465.27	402.18
Total current liabilities		**23,516.67**	**21,973.08**
Total liabilities		**24,635.90**	**23,177.53**
Total equity and liabilities		**68,464.48**	**58,680.29**
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 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 : New Delhi
Date : May 27, 2019

Statement of profit and loss for year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	21	113,987.27	120,425.88
II	Other income	22	2,197.71	1,780.30
III	**Total income (I+II)**		**116,184.98**	**122,206.18**
IV	**Expenses**			
	(a) Cost of materials consumed	23	70,971.10	73,125.90
	(b) Purchases of stock-in-trade	24	6,989.97	6,060.51
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	25	(325.78)	(231.00)
	(d) Excise duty on sale of goods		-	4,881.31
	(e) Employee benefits expense	26	8,578.33	8,203.22
	(f) Finance costs	27	4.59	213.00
	(g) Depreciation and amortization expense	28	4,096.83	4,377.89
	(h) Other expenses	29	13,240.65	13,841.90
	Total expenses		**103,555.68**	**110,472.73**
V	**Profit before exceptional items and tax (III-IV)**		**12,629.30**	**11,733.45**
VI	**Exceptional items**	30	-	58.73
VII	**Profit before tax (V-VI)**		**12,629.30**	**11,674.72**
VIII	**Tax expense:**			
	(a) Current tax	31.1	4,022.65	4,088.59
	(b) Deferred tax	31.1	(179.39)	(274.89)
	Total tax expense		**3,843.26**	**3,813.70**
IX	**Profit for the year (VII-VIII)**		**8,786.04**	**7,861.02**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gains/ (losses) on defined benefit plans		(18.38)	6.48
	- Income tax on items that will not be reclassified to profit or loss		6.42	(2.24)
	Total other comprehensive income for the year, net of tax		**(11.96)**	**4.24**
XI	**Total comprehensive income for the year, net of tax (IX+X)**		**8,774.08**	**7,865.26**
XII	**Earnings per share: (Face value ₹ 10 per share)**	33		
	1) Basic (amount in ₹)		147.76	132.20
	2) Diluted (amount in ₹)		147.76	132.20
Summary of Significant Accounting Policies		3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 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 : New Delhi
Date : May 27, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital

	Amount
Balance as at March 31, 2017	**594.63**
Changes during the year	-
Balance as at March 31, 2018	**594.63**
Changes during the year	-
Balance as at March 31, 2019	**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 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**	**7,865.27**
Payment of Dividend	-	-	(743.26)	-	(743.26)
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
Profit for the year	-	-	8,786.04	-	8,786.04
Transfer to General Reserve	-		-	-	-
Other comprehensive income for the year, net of tax	-	-	-	(11.96)	(11.96)
Total Comprehensive Income	**-**	**-**	**8,786.04**	**(11.96)**	**8,774.09**
Payment of Dividend	-	-	(371.65)	-	(371.65)
Dividend Distribution Tax	-	-	(76.61)	-	(76.61)
Balance as at March 31, 2019	**0.20**	**21,025.68**	**22,220.17**	**(12.09)**	**43,233.95**
Summary of Significant Accounting Policies	3				

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 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 : New Delhi
Date : May 27, 2019

Cash Flow Statement for the year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	12,629.30	11,674.72
	Adjustments for:		
	Depreciation and amortization	4,096.83	4,377.89
	Finance cost	4.59	213.00
	Interest income	(459.03)	(365.13)
	Interest income under effective interest rate method on security deposits at amortised cost	(0.83)	(0.66)
	Dividend Income - Non-current investment	(93.75)	(81.00)
	Dividend Income - Current investment	(61.22)	(177.24)
	Loss / (Gain) on sale of financial asset measured at Fair value through profit and loss (FVTPL)	(352.66)	(346.06)
	Diminution in value of asset held for sale	-	58.73
	Property, plant and equipment written off	-	16.90
	Provision for doubtful debts	-	2.51
	Loss / (Gain) on sale of property, plant and equipment (net)	(263.40)	(352.18)
	Fair value gain on investment in mutual fund designated at FVTPL	(366.24)	(193.69)
	Unrealized loss/(gain) on reinstatement of foreign exchange (net)	47.88	(16.74)
	Fair value losses on derivatives not designated as hedged	-	111.36
	Operating profit / (loss) before adjustments	**15,181.47**	**14,922.40**
	Adjustments for:		
	Decrease/(increase) in inventories	(1,748.00)	(1,378.35)
	Decrease/(increase) in trade receivables	(983.64)	(1,513.76)
	Decrease/(increase) in other financial assets	(15.73)	989.61
	Decrease/(increase) in other assets	37.00	77.86
	Increase in trade payables	789.56	1,883.20
	Increase in other liabilities	97.06	776.97
	Increase in other financial liabilities	(1.10)	(115.59)
	Increase/(decrease) in provisions	145.32	(26.71)
	Cash generated from operating activities	**13,501.93**	**15,615.63**
	Taxes (paid) / refund	(4,047.16)	(4,037.92)
	Net cash from operating activities - (A)	**9,454.77**	**11,577.71**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment including capital work-in-progress	(6,404.08)	(2,520.70)
	Acquisition of intangible assets including intangible assets under development	(45.40)	(55.82)
	Proceeds from sale of property, plant and equipment	721.39	761.27
	Payments for purchase of investments	(20,008.08)	(16,003.93)
	Proceeds from sale of investments	22,897.24	13,931.96
	Bank deposits (made)/proceeds	(1,900.62)	233.66
	Dividend Income - Non-current investment	93.75	81.00
	Dividend Income - Current investment	61.22	177.24
	Interest received	426.66	388.61
	Net cash used in investing activities - (B)	**(4,157.92)**	**(3,006.71)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of borrowings	-	(5,794.70)
	Finance cost paid	(4.59)	(259.63)
	Dividend paid (including corporate dividend tax)	(450.52)	(898.29)
	Net cash from financing activities - (C)	**(455.11)**	**(6,952.62)**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**4,841.75**	**1,618.37**
	Cash and cash equivalents at the beginning of the year	2,200.73	582.36
	Cash and cash equivalents at the end of the year [refer note 13]	**7,042.48**	**2,200.73**

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).

iii) For components of cash and cash equivalents refer note no.13

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 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 : New Delhi
Date : May 27, 2019

Notes to financial statements for the year ended March 31, 2019

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 Statement of Compliance:

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.

The financial statements were authorized for issue by the Company's Board of Directors on May 27, 2019.

2.2 Basis of preparation and presentation:

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial assets and liabilities 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 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2019 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 Use of estimates and judgments:

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.

Judgements

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

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, 2019:

- 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 fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. 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.

Revenue arises mainly from the sale of manufactured and traded goods.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

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 recorded on accrual basis using the effective interest rate (EIR) method.

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.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benifits are expected to arise from continous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in 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.

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 based on the technical estimate made by the management.

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.

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 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.

3.7 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction or production of qualifing assets, 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.

3.8 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.

3.9. 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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 or 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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

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.

3.14 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.

3.15 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.

3.16 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, if declared/ recmended 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 came into force from April 1, 2018. The Company evaluated 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.

3.22 Recent accounting pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits, Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

Ind AS 116- Leases:

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard on its financial statements.

Appendix C to Ind AS 12, Uncertainty over income tax treatment :

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following :

- Whether an entity considers uncertain tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 19, Plan amendment, curtailment or settlement :

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to :

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.

Amendments to Ind 23 Borrowing costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its 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 carrying amount										
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**	**21,128.89**
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	18.09	725.06
As at March 31, 2018	**1,403.31**	**642.22**	**13,555.54**	**4,989.24**	**237.23**	**135.32**	**93.12**	**1,062.81**	**438.95**	**22,557.74**
Add: Additions made during the year	-	-	5,249.83	4.56	10.82	25.42	4.44	3.84	398.03	5,696.94
Less: Disposals / adjustments during the year	-	-	711.05	-	0.52	0.19	0.01	0.72	66.70	779.19
As at March 31, 2019	**1,403.31**	**642.22**	**18,094.32**	**4,993.80**	**247.53**	**160.55**	**97.55**	**1,065.93**	**770.28**	**27,475.49**
Depreciation and impairment										
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	233.16
As at March 31, 2018	**-**	**17.34**	**5,368.46**	**941.37**	**105.79**	**71.84**	**41.44**	**353.11**	**172.63**	**7,071.98**
Add: Depreciation charge for the year	-	8.67	2,613.06	403.07	36.98	39.32	14.13	132.02	153.70	3,400.95
Less: On disposals / adjustments during the year	-	-	279.23	-	0.52	0.19	-	0.72	36.31	316.97
As at March 31, 2019	**-**	**26.01**	**7,702.29**	**1,344.44**	**142.25**	**110.97**	**55.57**	**484.41**	**290.02**	**10,155.96**

Research & Development

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
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**	**18.00**	**2,885.16**
Add: Additions made during the year	-	-	294.42	-	0.73	14.17	0.00	-	10.66	319.98
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**2,348.28**	**599.63**	**35.09**	**44.25**	**9.56**	**139.67**	**28.66**	**3,205.14**

Depreciation and impairment										
As at March 31, 2017	**-**	**-**	**404.34**	**28.65**	**10.16**	**5.37**	**0.68**	**25.31**	**2.97**	**477.48**
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**	**17.95**	**17.70**	**2.62**	**46.04**	**5.52**	**898.81**
Add: Depreciation charge for the year	-	-	325.19	25.98	5.23	5.99	1.79	16.97	5.46	386.61
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**1,078.24**	**81.91**	**23.18**	**23.69**	**4.41**	**63.01**	**10.98**	**1,285.42**
Net carrying amount										
As at March 31, 2019	**1,403.31**	**616.21**	**11,662.07**	**4,167.08**	**117.19**	**70.14**	**47.14**	**658.18**	**497.95**	**19,239.26**
As at March 31, 2018	**1,403.31**	**624.88**	**9,487.89**	**4,591.57**	**147.85**	**75.86**	**58.62**	**803.33**	**278.80**	**17,472.11**

Notes:

1. Details of assets charged to Banks: :

i) 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, 2019	As At March 31, 2018
Plant & Machinery	26.84	36.28
	26.84	**36.28**

Note 6 : Intangible assets	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
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**
Add: Additions made during the year	45.41	-	45.41
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**88.94**	**1,179.20**	**1,268.14**
Amortisation and impairment			
As at March 31, 2017	**7.22**	**441.98**	**449.20**
Add: Amortisation for the year	9.70	421.49	431.19
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	**16.92**	**863.36**	**880.28**
Add: Amortisation for the year	19.29	238.08	257.37
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**36.21**	**1,101.44**	**1,137.65**

Research & Development	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
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**
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**168.12**	**22.54**	**190.66**
Amortisation and impairment			
As at March 31, 2017	**22.63**	**21.48**	**44.11**
Add: Amortisation for the year	47.94	1.06	49.00
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	**70.57**	**22.54**	**93.11**
Add: Amortisation for the year	51.90	-	51.90
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**122.47**	**22.54**	**145.01**
Net carrying amount			
As at March 31, 2019	**98.38**	**77.76**	**176.14**
As at March 31, 2018	**124.16**	**315.84**	**440.00**

Note 7 : Investments	As At March 31, 2019	As At March 31, 2018
NON-CURRENT		
Investments measured at cost		
In equity shares of Associates		
Quoted, fully paid up		
9,000,000 (March 31, 2018: 9,000,000) Equity Shares of ₹ 2/- each of Bharat Seats Ltd. { including 4,500,000 Bonus Shares (March 31, 2018: 4,500,000) }	90.00	90.00
	90.00	**90.00**
In equity shares of Associates		
Unquoted, fully paid up		
490,000 (March 31, 2018: 490,000) Equity shares of ₹ 10 each of Relan Industrial Finance Ltd.	49.00	49.00
	49.00	**49.00**
In equity shares of Joint Ventures		
Unquoted, fully paid up		
5,000 (March 31, 2018: 5,000) Equity shares of ₹ 10 each of Toyota Boshoku Relan India Pvt. Ltd.	0.50	0.50
750,000 (March 31, 2018: 750,000) Equity shares of ₹ 10 each of Toyo Sharda India Pvt. Ltd.	75.00	75.00
	75.50	**75.50**
In equity shares of Wholly owned Subsidiary *		
Unquoted, fully paid up		
10,000 (March 31, 2018 : Nil) Equity shares of ₹ 10 each of NDR Auto Components Ltd * During the current year the company has incorporated wholly owned subsidiary company viz NDR Auto Components Ltd. on March 19, 2019. The investment in the company are held in its own name except six equity shares which are held in the name of its nominees.	1.00	-
	1.00	**-**
In equity shares of Other		
Unquoted, fully paid up		
17,500 (March 31, 2018: 17,500) Equity shares of ₹ 10 each of Windage Power Company Private Limited	1.75	1.75
	1.75	**1.75**

Information about Subsidiary, Associates & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As At March 31, 2019	As At March 31, 2018
Associates		
Bharat Seats Ltd, India, Manufacturing of Seating System	28.66	28.66
Relan Industrial Finance Ltd., India, Service provider of investments	47.12	47.12
Joint Ventures		
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00
Wholly owned Subsidiary *		
NDR Auto Components Ltd., India, Manufacturing of Seating System	100.00	NIL
Total (A)	**217.25**	**216.25**

CURRENT

Investment measured at fair value through profit or loss

Investment In Mutual Fund & Tax Free Bond (Quoted)

- Nil (March 31,2018: 9,447,048.91) units of Reliance Arbitrage Advantage Fund (MD)	-	999.36
- Nil (March 31,2018: 7,519,834.30) units of SBI Arbitrage Opportunities Fund (D)	-	1,002.36
- Nil (March 31,2018: 7,986,431.54) units of ICICI Prudential Equity-Arbitrage Fund - Retail Plan (D)	-	1,089.27
- Nil (March 31,2018: 3,672,422.63) units of HDFC Arbitrage Fund - Wholesale Plan (MD)	-	399.67
- Nil (March 31,2018: 3,536,060.64) units of ICICI Prudential Equity Income Fund - Regular Plan (MD)	-	393.21
- Nil (March 31,2018: 13,178,805.39) units of Kotak Equity Savings Fund - Regular Plan (MD)	-	1,469.09
- Nil (March 31,2018: 3,451,191.52) units of Reliance equity Savings fund-Monthly Dividend	-	382.94
- 6,999,407.76 (March 31,2018: 6,999,407.76) units of Reliance Short Term Fund (Growth)	2,430.21	2,284.30
- 3,776,031.01 (March 31,2018: 3,776,031.01) units of ICICI Prudential Short Term plan Regular (Growth)	1,458.33	1,366.74
- 408,105.3 (March 31,2018: 408,105.3) units of Aditya Birla Sunlife Short Term Fund (Growth)	292.39	271.03
- 223,015.17 (March 31,2018: 223,015.17) units of ICICI Prudential equity & debt fund (Growth)	299.82	278.52
- 582,328.09 (March 31,2018: 582,328.09) unit of Reliance prime debt Fund (Growth)	227.80	212.09
- 3980758.54 (March 31,2018: 2084463.32) units SBI Equity Savings Fund - Regular Plan-Growth	202.17	258.50
- 54,519.21 (March 31,2018: Nil) units ICICI Prodential Money Market Fund - Growth	462.89	-
- 41199.265 (March 31,2018: Nil) units SBI Premier Liquid Fund	1,200.00	-
- 50 (March 31,2018: Nil) units NHAI 2030 - Tax free Bond	572.22	-
- 50000 (March 31,2018: Nil) units REC 2022 - Tax free Bond	550.00	-
- 50000 (March 31,2018: Nil) units IRFC 2022 - Tax free Bond	539.99	-
Total (B)	**8,235.82**	**10,407.08**
Total (A+B)	**8,453.07**	**10,623.33**
Aggregate value of unquoted investments	127.25	126.25
Aggregate value of quoted investments	7,390.00	10,090.00
Market value of quoted investments	16,443.82	25,851.08
Aggregate value of impairment in the value of investment	-	-

Note 8 : Other financial assets (Unsecured and considered good, unless otherwise stated)	**As At March 31, 2019**	**As At March 31, 2018**
Non- current		
Security deposits (Refer to note 'a' below)	302.04	279.70
Deposits with original maturity of more than 12 months and remaining maturity of more than 12 months (Refer to note 'b' below)	5.00	5.00
Total (A)	**307.04**	**284.70**

Note 8 : Other financial assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2019	As At March 31, 2018
Current		
Staff Advance	21.24	25.72
Interest accrued on fixed deposits	153.34	125.36
Interest accrued others	4.96	0.57
Receivable from related parties	8.62	8.62
(Refer to note 'c' below)		
Total (B)	**188.16**	**160.27**
Total (A+B)	**495.20**	**444.97**

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 ₹ 5 Lakhs (March 31, 2018: ₹ 5.00 Lakhs).

c) For detailed related party disclosures, refer note no. 35.

Note 9 : Non-current tax asset	As At March 31, 2019	As At March 31, 2018
Advance Income Tax	74.57	50.06
(Net of provision of ₹ 10,351.66 (March 31, 2018 : ₹ 7,759.83 Lakhs)		
	74.57	**50.06**

Note 10 : Other assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2019	As At March 31, 2018
Non- Current		
Capital Advances(refer note below)	1,833.96	870.88
Deferred Payment Asset	-	1.30
Total (A)	**1,833.96**	**872.18**
Current		
Balance with Statutory Authorities	51.41	67.03
Advances to Suppliers	280.13	305.86
Deferred Payment Asset	-	0.72
Prepaid Expenses	169.49	130.99
Other Receivable (refer to note below)	10.07	43.51
Deferred asset		-
Total (B)	**511.10**	**548.11**
Total (A+B)	**2,345.06**	**1,420.29**

Other receivable includes duty drawback receivable, staff imprest account etc.

Note: Details of Capital commitment is as follows:

Particulars	As At March 31, 2019	As At March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	2,345.30	1,127.68
	2,345.30	**1,127.68**

Note 11: Inventories (Valued at lower of cost or net realizable value)	As At March 31, 2019	As At March 31, 2018
Raw Materials	7,659.54	6,242.65
Raw Materials - In Transit	289.49	328.57
Work In Progress	2,108.06	1,782.28
Consumable Stores and Spares	252.95	208.54
	10,310.04	**8,562.04**

Note:

1. The mode of valuation of inventories has been stated in note 3.9.
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, 2019**	**As At March 31, 2018**
Unsecured, Considered Good	13,211.46	12,240.73
Unsecured, Considered credit impaired	2.51	2.51
	13,213.97	12,243.24
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	2.51	2.51
	13,211.46	**12,240.73**

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) 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, 2019**	**As At March 31, 2018**
Balances with banks:		
- on current account	6,042.32	900.28
- deposits with original maturity of less than 3 months	1,000.00	1,300.00
Cash in hand:	0.16	0.45
	7,042.48	**2,200.73**

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, 2019**	**As At March 31, 2018**
Balances with banks:		
- Unclaimed dividend account	39.70	41.96
Deposits with original maturity of more than 3 months but less than 12 months	4,031.09	1,928.21
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	3,000.00	3,200.00
	7,070.79	**5,170.17**

Note 15 : Equity Share Capital	**As At March 31, 2019**	**As At March 31, 2018**
Authorised Share Capital		
50,000,000* (March 31, 2018:50,000,000) equity shares of ₹ 10 each	5000.00	5000.00
Issued, subscribed and fully paid up		
5,946,326* (March 31, 2018: 5,946,326) equity shares of ₹ 10 each	594.63	594.63
	594.63	**594.63**

a) Reconciliation of share capital:

	As At March 31, 2019		**As At March 31, 2018**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance as at March 31, 2017	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2018	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2019	**5,946,326**	**594.63**	**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. No dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share). 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, no interim dividend (March 31, 2018: ₹ 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, 2019		As At March 31, 2018	
Name of Party	**No. of shares**	**Holding %**	**No. of shares**	**Holding %**
Ajay Relan	1,927,219	32.41%	1,914,195	32.19%
Rohit Relan	428,818	7.21%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	520,826	8.76%
Aashim Relan	304,440	5.12%	304,440	5.12%

Note: Number of Shares are given in absolute numbers

Note 16 : Other Equity	**Amount**
a) General Reserve	
Balance as at March 31, 2017	**21,025.68**
Movement during the year	-
Balance as at March 31, 2018	**21,025.68**
Movement during the year	-
Balance as at March 31, 2019	**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 March 31, 2017	**0.20**
Movement during the year	-
Balance as at March 31, 2018	**0.20**
Movement during the year	-
Balance as at March 31, 2019	**0.20**

c) Retained Earnings	
Balance as at March 31, 2017	**6,915.96**
Add:- Profit for the year	7,861.02
Less: Dividend Paid	743.27
Less: Dividend Distribution Tax Paid	151.33
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	**13,882.38**
Add:- Profit for the year	8,786.04
Less: Dividend Paid	371.65
Less: Dividend Distribution Tax Paid	76.61
Less: Transfer to General Reserve	-
Balance as at March 31, 2019	**22,220.16**

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, 2018, a dividend of ₹ 12.50 per share (total dividend of ₹ 743.27 Lakhs) was paid to holders of fully paid equity shares.
4. For the year ended March 31, 2019, no interim dividend (March 31, 2018, ₹ 371.63 Lakhs) was paid to holders of fully paid equity shares. No final dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share).

d) Other comprehensive income-Remeasurement of defined benefit obligation

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)**
Add:- Gain/(Loss) recognised during the year	(11.96)
Balance as at March 31, 2019	**(12.09)**

Total Other Equity:

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)
As at March 31, 2019	**43,233.95**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	22,220.16
d) OCI-Remeasurement of defined benefit obligation	(12.09)

Note 17 : Trade payables	**As At March 31, 2019**	**As At March 31, 2018**
- Outstanding dues of micro and small enterprises	345.24	-
- Outstanding dues of creditors other than micro and small enterprises	18,771.08	18,291.78
	19,116.32	**18,291.78**

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 39.

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

	As At March 31, 2019	**As At March 31, 2018**
- Principal amount due	344.34	-
- Interest accrued and due on above	0.90	-
	345.24	**-**
(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
(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

		As At March 31, 2019	As At March 31, 2018
(iii)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.90	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

i. ‘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.

ii. The total dues to Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ 71.08 lakhs (March 31, 2018 Nil)

Note 18 : Other Financial Liabilities	**As At March 31, 2019**	**As At March 31, 2018**
Current		
Unclaimed dividends (refer note (a) below)	39.70	41.96
Security deposit	34.30	37.05
Creditors for capital goods-micro and small enterprises	1.65	-
Creditors for capital goods- Other than micro and small enterprises	999.54	437.28
Total	**1,075.19**	**516.29**

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, 2019.

Note 19 : Other Liabilities	**As At March 31, 2019**	**As At March 31, 2018**
Current		
Advance from customers	1,298.60	796.01
Statutory dues	1,518.88	1,906.91
Others *	42.41	59.91
Total	**2,859.89**	**2,762.83**

* other comprises of custom duty, earnest money received and staff payable

Note 20 : Provisions	**As At March 31, 2019**	**As At March 31, 2018**
Non- current		
Provision for employee benefits :		
Provision for compensated absences (refer note 34)	203.04	205.17
Others :		
Provision for warranty	320.99	218.26
Total (A)	**524.03**	**423.43**
Current		
Provision for employee benefits :		
Provision for compensated absences (refer note 34)	133.57	81.13
Provision for gratuity (refer note 34)	153.67	152.39
Others :		
Provision for warranty	178.03	168.66
Total (B)	**465.27**	**402.18**
Total (A+B)	**989.30**	**825.61**

Note 20.1 Contingent Liabilities		As At March 31, 2019	As At March 31, 2018
(a)	Claims against the Company not acknowledged as debts		
	i) Disputed State Tax Matters	65.01	69.94
	ii) Disputed Excise Matters	9.67	12.74
	iii) Disputed Service Tax Matters	76.09	50.63
	iv) Disputed Income Tax Matters	42.58	84.86
	v) Disputed Central Excise Matters	440.00	440.00
	vi) Bill discounting	151.04	102.47
	vii) Dispute with Vendor	10.55	10.55
	viii) Others	33.00	33.00
(b)	Foreign Letter of Credit	2,551.09	3,253.15

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 21 : Revenue from operations	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Product		
- Finished goods	105,368.87	113,040.92
- Traded goods	7,844.42	6,744.71
	113,213.29	119,785.63
Sale of services	62.55	29.16
Other Operating Revenues		
- Sale of scrap	711.43	611.09
Revenue from operations	**113,987.27**	**120,425.88**

Note: Sale of goods includes excise duty collected from customers of Rs.NIL during the year (March 31, 2018: ₹ 4881.31 Lakhs).

According to the requirement of Ind-AS, revenue for the corresponding previous year ended March 31, 2018 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, 2019 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, 2019	For the year ended March 31, 2018
Revenue from Operations inclusive of Excise Duty (A)	113,987.27	120,425.88
Less: Excise Duty (B)	-	4,881.31
Net Revenue from Operations (A-B)	**113,987.27**	**115,544.57**

Note 22 : Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- Fixed deposits with banks	469.08	381.51
- Income tax refund	-	7.43
- Finance income	0.83	0.66
- Others *	10.05	8.95
Dividend income from		
- Non-current investment	93.75	81.00
- Current investment	61.22	177.24
Profit on sale of current investments designated at FVTPL	352.66	346.06
Net gain on disposal of property, plant and equipments	263.40	352.18
Net gain on foreign exchange fluctuation	-	146.37
Fair value gain on investment in mutual funds designated at FVTPL	366.24	193.69
Miscellaneous income	580.48	85.21
	2,197.71	**1,780.30**

* Others comprises of interest received on deposits with electricity boards etc.

Note 23 : Cost of Raw Material Consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material		
Balance at the beginning of the year	6,195.98	5,413.38
Add:- Purchases during the year	72,434.66	73,955.17
Less:- Balances of raw material at the end of the year	7,659.54	6,242.65
Total cost of raw material consumption	**70,971.10**	**73,125.90**

Note 24 : Purchase of Stock in Trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of stock in trade	6,989.97	6,060.51
	6,989.97	**6,060.51**

Note 25 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year		
Finished goods	-	13.91
Work- in- progress	1,782.28	1,536.53
Traded goods	-	0.84
(A)	**1,782.28**	**1,551.28**
Inventories at the end of the year		
Finished goods	-	-
Work- in- progress	2,108.06	1,782.28
Traded goods	-	-
(B)	**2,108.06**	**1,782.28**
(Increase) / Decrease		
Finished goods	-	13.91
Work- in- progress	(325.78)	(245.75)
Traded goods	-	0.84
(Increase) / Decrease in Inventory (A-B)	**(325.78)**	**(231.00)**

Note 26 : Employee benefits expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages & other benefits	7,510.53	7,057.06
Contribution to provident and other funds *	408.02	394.00
Gratuity (refer note 34)	119.40	141.19
Staff welfare expenses	540.38	610.97
	8,578.33	**8,203.22**
*** Defined contribution plans**		
Amount recognised in statement of profit & loss		
Employee state insurance	53.40	59.76
Provident fund	353.84	333.39
Welfare fund	0.79	0.85
	408.02	**394.00**

Note 27 : Finance cost	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	4.59	201.50
Interest on delayed payment of taxes	-	11.50
	4.59	**213.00**

Note 28 : Depreciation and amortization expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	3,787.56	3,897.71
Amortization of intangible assets	309.27	480.18
	4,096.83	**4,377.89**

Note 29 : Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumable tools	206.62	259.14
Power & fuel	1,148.23	1,270.85
Hire labour charges	4,825.57	5,800.68
Manufacturing expenses	200.44	113.87
Rent, rates & taxes	349.96	305.06
Repair & maintenance		
- Repair to building	88.78	162.80
- Repair to plant & equipments	360.97	323.22
- Repair others	207.51	273.28
Net loss on foreign exchange fluctuation	12.84	-
Fair value losses on derivatives not designated as hedged	-	111.36
Royalty fees	1.62	1.70
Research & development expenses (refer details 'c' below)	2,328.55	1,441.08
Travelling & conveyance	803.52	917.85
Insurance	66.02	75.55
Communication cost	64.06	62.00
Director's sitting fee & commission	18.20	13.02
Legal & professional expenses	620.95	783.24

Note 29 : Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
CSR expenses (refer details 'b' below)	13.90	10.30
Warranty claim	178.03	52.27
Property, plant and equipment written off	-	16.90
Selling expenses	7.33	7.03
Packing material	224.32	259.29
Freight outward	620.27	648.70
Auditor's remuneration (refer details 'a' below)	16.76	13.66
Miscellaneous expenses	876.20	919.05
Total	**13,240.65**	**13,841.90**

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

Payment to auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
- Statutory audit fee	8.50	8.50
- Tax audit fee *	5.00	5.00
In Other Capacity:		
- Reimbursement of expenses	0.26	0.16
- Other services	3.00	-
	16.76	**13.66**

* Tax audit fee has been provided for other auditor for both the years.

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): ₹ 158.11 Lakhs (March 31, 2018: ₹ 116.24 lakhs)

ii) Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2019	For the year ended March 31, 2018
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' and others for incurring CSR Expenditure	13.90	10.30
Amount yet to be spent		144.21	105.94
Total		**158.11**	**116.24**

c) Research & Development Expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Research & development expenses include:		
- Purchases	58.11	67.18
- Salary, wages and other allowance	1,204.25	567.07
- Travelling expenses	154.15	106.96
- Design, development and other expenses	912.04	699.87
	2,328.55	**1,441.08**

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 2007-08 to 2018-19**

Financial Year	Capital Expense	Revenue Expense
2007-08	-	189.59
2008-09	-	235.01
2009-10	28.50	127.62
2010-11	802.57	210.90
2011-12	787.84	351.17
2012-13	93.07	425.85
2013-14	2,034.23	679.24
2014-15	79.63	656.03
2015-16	456.72	847.78
2016-17	217.47	986.33
2017-18	181.09	1,441.08
2018-19	319.97	2,328.55

Note 30: Exceptional Items	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Diminution in value of asset held for sale	-	58.73
	-	**58.73**

Note:

Diminution in value of asset ₹ Nil during the year (March 31, 2018 ₹ 58.73 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 31: Income Tax

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as below:

31.1 Income tax recognised in profit or loss

	As At March 31, 2019	**As At March 31, 2018**
Current tax		
a) In respect of current year	4,063.94	4,049.93
b) Adjustments in respect of current income tax of previous year	(41.29)	38.66
	4,022.65	4,088.59
Deferred tax		
In respect of current year	(179.39)	(274.89)
	(179.39)	(274.89)
Income tax expense recognised in the current year	**3,843.26**	**3,813.70**

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

	As At March 31, 2019	**As At March 31, 2018**
Profit before tax	**12,629.30**	**11,674.72**
Tax at the Indian tax rate of 34.944% (March 31, 2018: 34.608%)	4,374.43	4,040.39
Adjustments in respect of current income tax of previous years	(41.29)	38.66
Effect of expenses that are not deductible in determining taxable profit	10.74	17.57
Weighted deduction for research and development expenses	(520.47)	(294.16)
Income not considered for tax purpose	(56.18)	(89.37)
Exceptional item not considered for tax purpose	-	20.31
Others	76.03	80.30
Tax expenses recognised in statement of profit or loss	**3,843.26**	**3,813.70**

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (March 31, 2018: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

31.2 Income tax recognised in other comprehensive income

	As At March 31, 2019	As At March 31, 2018
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	6.42	(2.24)
Total tax recognised in other comprehensive income	**6.42**	**(2.24)**
Bifurcation of the income tax recognised in other comprehensive income into : -		
- Items that will not be reclassified to profit or loss	6.42	(2.24)
	6.42	**(2.24)**

Note 32: Deferred tax balances

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

	As At March 31, 2019	As At March 31, 2018
Deferred tax assets	308.54	100.01
Deferred tax liabilities	903.74	881.03
Net deferred tax liabilities	**595.20**	**781.02**

	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)	-	-
Total deferred tax assets	**309.16**	**(206.91)**	**(2.24)**	**100.01**
Deferred tax liabilities				
Investment in mutual funds & bonds 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
	1,348.23	**(467.20)**	**-**	**881.03**
Net deferred tax liabilities	**1,039.07**	**(260.29)**	**2.24**	**781.02**

	As At April 1, 2018	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2019
Deferred tax assets				
Defined benefit obligation	99.08	65.82	6.42	171.32
Expenses deductible in future years	-	136.29	-	136.29
Others	0.93	-	-	0.93
Total deferred tax assets	**100.01**	**202.11**	**6.42**	**308.54**
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	140.88	148.77	-	289.65
Property, plant and equipment and intangible assets	740.15	(126.06)	-	614.09
	881.03	**22.71**	**-**	**903.74**
Net deferred tax liabilities	**781.02**	**(179.40)**	**(6.42)**	**595.20**

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

Note 33: Earnings per share (EPS)	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	8,786.04	7,861.02
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)	**147.76**	**132.20**
Diluted earnings per share (in ₹) - (A/B)	**147.76**	**132.20**

Note 34 : 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, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund/ Pension Fund	353.84	333.39
Employer's Contribution to Employee State Insurance	53.40	59.76
Employer's Contribution to Employee Welfare Fund	0.78	0.85
Total	**408.02**	**394.00**

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, 2019		As at March 31, 2018	
	Gratuity (funded)	**Earned leave (Unfunded)**	**Gratuity (funded)**	**Earned leave (Unfunded)**
Present value of obligation as at the beginning of the year	1,055.52	286.30	880.43	252.59
Acquisition adjustment				
Add: Interest cost	79.16	21.47	61.63	17.68
Add: Current service cost	126.23	68.70	113.73	51.50
Add: Past service cost	-	-	26.51	-
Less: Benefits paid	(69.00)	(37.82)	(30.65)	(25.78)
Add: Actuarial (gain) / loss				
- Demographic assumptions	-	-	-	-
- Financial assumptions	15.17	2.37	(22.61)	(3.35)
- Experience adjustments	5.57	(4.42)	26.48	(6.34)
Present value of obligation as at the end of the year	**1,212.65**	**336.61**	**1,055.52**	**286.30**

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	**Earned leave (Unfunded)**	**Gratuity (Funded)**	**Earned leave (Unfunded)**
Current service cost	126.23	68.70	113.73	51.50
Past service cost	-	-	26.51	-
Interest cost	11.43	21.47	15.35	17.68
Remeasurements	-	-	-	-
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	(2.05)	-	(9.68)
Expenses recognised in profit/loss (Refer Note Below)	**137.66**	**88.12**	**155.59**	**59.50**

Note : Gratuity expense of ₹ 112.98 lakhs has been recognised in Statement of Profit & Loss and ₹ 18.25 Lakhs in R&D expenditure.

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	**Earned leave (Unfunded)**	**Gratuity (Funded)**	**Earned leave (Unfunded)**
Actuarial (gains) / losses				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	15.17	2.37	(22.61)	(3.35)
- experience variance	5.57	(4.42)	26.48	(6.34)
Return on plan assets, excluding amount recognised in net interest expense	(2.37)	-	(10.35)	-
Component of defined benefit costs recognised in other comprehensive income	**18.38**	**(2.05)**	**(6.48)**	**(9.69)**

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, 2019		As at March 31, 2018	
	Gratuity (Funded)	**Earned leave (Unfunded)**	**Gratuity (Funded)**	**Earned leave (Unfunded)**
Fair value of plan assets at the beginning	903.13	-	661.14	-
Add: Investment income	67.74	-	46.28	-
Add: Expected return on plan assets	2.37	-	10.35	-
Add: Employer's contribution	154.75	-	216.01	-
Add: Employee's contribution	-	-	-	-
Less: Benefits paid	(69.01)	-	(30.65)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-
Fair value of plan assets at the end	**1,058.98**	**-**	**903.13**	**-**

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	**Earned leave (Unfunded)**	**Gratuity (Funded)**	**Earned leave (Unfunded)**
Economic assumptions				
1 Discount rate	7.20%	7.20%	7.50%	7.50%
2 Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions				
1 Expected average remaining working lives of employees (years)	23.47	23.41	23.78	23.78
2 Retirement Age (years)	58	58	58	58
3 Mortality Rate	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%
2 Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3 Above 44 years	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, 2019		As at March 31, 2018	
	Gratuity (Funded)	**Earned leave (Unfunded)**	**Gratuity (Funded)**	**Earned leave (Unfunded)**
Present value of obligation	1,212.65	336.61	1,055.52	286.30
Fair value of plan assets	1,058.98	-	903.13	-
Net (assets) / liability	**153.67**	**336.61**	**152.39**	**286.30**
Classification into long term and short term:				
- Classified as long term	-	133.57	-	205.17
- Classified as short term	153.67	203.04	152.39	81.13
Total	**153.67**	**336.61**	**152.39**	**286.30**

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 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, 2019		As at March 31, 2018	
	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	(49.10)	(7.73)	(42.40)	(6.40)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	53.54	8.21	46.23	6.79
B. Salary escalation rate				
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	49.53	7.92	43.24	6.57
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(46.60)	(7.60)	(40.68)	(6.32)
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	-	-	-	-
* The effect of change in mortality rate considered as negligible.				

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	**Earned leave (Unfunded)**	**Gratuity (Funded)**	**Earned leave (Unfunded)**
1 year	230.83	133.57	202.99	115.59
2 to 5 years	565.12	152.17	492.51	128.98
More than 5 years	416.70	50.87	360.02	41.73

k) Enterprise best estimate of contribution during next year is ₹ 186.53 lakhs.

l) The acturial assumption of withdrawal rate, retirement age and expected average remaining working lives of empolyees are not considered significant.

m) There is no change in the method used in the preparing the sensitive analysis from prior years

Note 35 : List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	**Relationship**
a) Relan Industrial Finance Ltd.	Associate Companies
b) Bharat Seats Ltd.	
a) N D R Auto Components Ltd.	Wholly Owned Subsidiary Company
a) Toyo Sharda India (P) Ltd.	Joint Venture Companies
b) Toyota Boshoku Relan India (P) Ltd.	

Name of the Related Party		Relationship
a)	Mr. Kishan N Parikh (Chairman)	Key Managerial Personnel
b)	Mrs. Sharda Relan (Whole Time Director)	
c)	Mr. Ajay Relan (Managing Director)*	
d)	Mr. Rohit Relan (Director)	
e)	Mr. Bireswar Mitra (Executive Director)	
f)	Mr. Ram Prakash Choudhary (Director)	
g)	Mr. Ashok Kumar Bhattacharya (Director)	
h)	Mr. Satindar Kumar Lambah (Director)	
i)	Mr. Udayan Banerjee (Director)	
j)	Mr. Vivek Bhatia (CFO)	
k)	Mr. Nitin Vishnoi (Company Secretary)	
a)	Mrs. Mala Relan (Wife of Managing Director)	Relatives of Key Managerial Personnel
b)	Mrs. Ritu Relan (Wife of Director)*	
c)	Ms Aashita Relan (Daughter of Managing Director)	
d)	Mr. Aashim Relan (Son of Managing Director)	
e)	Mr. Rishabh Relan (Son of Director)	
f)	Mr. Pranav Relan (Son of Director)	
g)	Mr. Ayush Relan (Son of Director)	
h)	Indira Choudhary (spouse of Director)	
a)	Sharda Enterprises	Enterprises over which Key Managerial Personnel are able to Exercise significant influence
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	

(Rs. in Lakhs)

S. No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	**Sales during the Year**					
	- Bharat Seats Ltd.	-	24265.92	-	-	-
		-	(37921.50)	-	-	-
ii)	**Loan repaid during the Year**					
	- Ajay Relan*	-	-	-	-	-
		-	-	-	(1084.72)	-
	- Rohit Relan	-	-	-	-	-
		-	-	-	(1986.62)	-
	- Sharda Relan	-	-	-	-	-
		-	-	-	(33.70)	-

S. No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
iii)	**Interest paid on loans during the Year**					
	- Ajay Relan*	-	-	-	-	-
		-	-	-	(71.19)	-
	- Rohit Relan	-	-	-	-	-
		-	-	-	(22.13)	-
	- Sharda Relan	-	-	-	-	-
		-	-	-	(1.30)	-
iv)	**Rent paid during the Year**					
	-Sharda Enterprises	-	-	155.76	-	-
		-	-	(154.77)	-	-
v)	**Remuneration paid**					
	- Ajay Relan*	-	-	-	580.03	-
		-	-	-	(506.05)	-
	-Sharda Relan	-	-	-	488.33	-
		-	-	-	(463.60)	-
	-Bireswar Mitra	-	-	-	21.55	-
		-	-	-	(21.76)	-
vi)	**Salary Paid**					
	-Nitin Vishnoi	-	-	-	28.43	-
		-	-	-	(17.89)	-
	-Mala Relan	-	-	-	-	17.62
		-	-	-	-	(13.61)
	-Vivek Bhatia	-	-	-	110.43	-
		-	-	-	(100.12)	-
	-Aashim Relan	-	-	-	-	153.29
		-	-	-	-	(128.60)
vii)	**Reimbursements of Expenses**					
	-Bireswar Mitra	-	-	-	4.66	-
		-	-	-	(4.69)	-
	-Nitin Vishnoi	-	-	-	9.20	-
		-	-	-	(6.88)	-
	-Vivek Bhatia	-	-	-	6.84	-
		-	-	-	(7.27)	-
viii)	**Dividend Paid**					
	- Ajay Relan*	-	-	-	120.01	-
		-	-	-	(240.50)	-
	- Nitin Vishnoi	-	-	-	0.06	-
		-	-	-	(0.13)	-
	- Bireswar Mitra	-	-	-	0.04	-
		-	-	-	(0.07)	-
	-K.N. Parikh	-	-	-	0.01	-
		-	-	-	(0.02)	-
	-Rohit Relan	-	-	-	26.80	-
		-	-	-	(53.60)	-

S. No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
	-Aashim Relan	-	-	-	-	19.03
		-	-	-	-	(37.66)
	-Ayush Relan	-	-	-	-	4.27
		-	-	-	-	(10.78)
	-Pranav Relan	-	-	-	-	5.77
		-	-	-	-	(13.83)
	-Rishabh Relan	-	-	-	-	7.59
		-	-	-	-	(17.50)
	-Mala Relan	-	-	-	-	32.55
		-	-	-	-	(63.39)
	-Ritu Relan*	-	-	-	-	46.40
		-	-	-	-	(92.82)
	-Aashita Relan	-	-	-	-	1.17
		-	-	-	-	(2.06)
	-Ajay Relan(HUF)	-	-	1.20	-	-
		-	-	(2.40)	-	-
	-ND Relan (HUF)	-	-	1.88	-	-
		-	-	(3.75)	-	-
	-Rohit Relan (HUF)	-	-	2.78	-	-
		-	-	(5.55)	-	-
	-RIFL	-	0.06	-	-	-
		-	(0.01)	-	-	-
	-Indira Choudhary	-	-	-	-	3.28
		-	-	-	-	(6.56)
ix)	**Sitting Fee Paid**					
	-Kishan N Parikh	-	-	-	4.40	-
		-	-	-	(3.60)	-
	-Rohit Relan	-	-	-	1.60	-
		-	-	-	(0.80)	-
	-Ram Prakash Choudhary	-	-	-	2.80	-
		-	-	-	(2.60)	-
	-Ashok Kumar Bhattacharya	-	-	-	3.20	-
		-	-	-	(1.60)	-
	-Satinder Kumar Lambah	-	-	-	5.20	-
		-	-	-	(4.41)	-
	-Udayan Banerjee	-	-	-	1.00	-
		-	-	-	-	-
x)	**Sale of Fixed Assets**					
	-Bharat Seats Limited	-	57.90	-	-	-
		-	(185.44)	-	-	-
xi)	**Expenses paid**					
	- A.N.I Hospitality LLP	-	-	-	-	-
		-	-	(0.73)	-	-
xii)	**Advance Received from Customers**					
	Bharat Seats Limited (Tooling Advance)	-	28.40	-	-	-
		-	-	-	-	-

S. No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
xiii)	**Purchases during the year**					
	Bharat Seats Ltd.	-	245.10	-	-	-
		-	(259.39)	-	-	-
	-Toyo Sharda India (P) Ltd.	218.40	-	-	-	-
		(545.35)	-	-	-	-
xiv)	**Advance Adjusted**					
	-Bharat Seats Limited	-	28.40	-	-	-
		-	-	-	-	-
xv)	**Dividend Received**					
	-Bharat Seats Limited	-	90.00	-	-	-
		-	(81.00)	-	-	-
	-Toyo Sharda India (P) Ltd.	3.75	-	-	-	-
		-	-	-	-	-
xvi)	**CSR Expenditure paid**					
	Sharda CSR Foundation Trust	-	-	12.90	-	-
		-	-	(10.30)	-	-
xvii)	**Investment in Shares**					
	N D R Auto Components Ltd.		1.00	-	-	-
			-	-	-	-
xvi)	**Net Outstanding Balance payable as on 31.03.2019**					
	- N.D. Relan	-	-	-	-	-
		-	-	-	-	-
	- Ajay Relan*	-	-	-	53.83	-
		-	-	-	(161.16)	-
	-Bireswar Mitra	-	-	-	1.35	-
		-	-	-	-	-
	-Nitin Vishnoi	-	-	-	6.77	-
		-	-	-	-	-
	-Sharda Relan	-	-	-	43.40	-
		-	-	-	(128.93)	-
	-Mala Relan	-	-	-	0.83	-
		-	-	-	-	-
	-Aashim Relan	-	-	-	12.56	-
		-	-	-	-	-
	-Toyo Sharda India (P) Ltd.	1.32	-	-	-	-
		(46.05)	-	-	-	-
	-Toyota Boshoku Relan India (P) Ltd.	-	-	-	-	-
		(98.85)	-	-	-	-
xvii)	**Balance Receivable as on 31.03.2019**					
	-Bharat Seats Limited	-	685.92	-	-	-
		-	(3074.01)	-	-	-
	-Toyota Boshoku Relan India (P) Ltd.	8.62	-	-	-	-
		-	-	-	-	-
	N D R Auto Components Ltd.	-	0.27	-	-	-
		-	-	-	-	-

* The transaction belonging to Promoter/Promoter Group holding 10% or more shares in the Company.

1) Figures in bracket represents figures for the year ended 31st March, 2018.

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 36: 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 and no specific obligation for renewal. There is no restriction imposed in lease arrangement. Lease rental amounting to ₹ 274.04 lakhs (March 31, 2018: ₹ 304.34 lakhs) has been expensed out in Statement of Profit and Loss in note 29 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, 2019**	**As At March 31, 2018**
Not Later Than 1 year	218.04	129.00
Later than 1 year but not later than 5 years	194.58	337.00
More than 5 years	248.44	237.86
Total	**661.06**	**703.86**

Note 37: Financial and Derivative Instruments		**As At March 31, 2019**		**As At March 31, 2018**
Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :				
Foreign currency exposure that are not hedged by derivative instruments (Sell)	USD 11.24 lakhs	777.83	USD 15.88 lakhs	1,032.76
		777.83		1,032.76
Foreign currency exposure that are not hedged by derivative instruments (Buy)	USD 40.55 lakhs	2,804.54	USD 25.68 lakhs	1,670.05
	EURO 0.82 lakhs	64.00	EURO 0.06 lakhs	5.22
	JPY 0.25 lakhs	0.16	JPY 0.25 lakhs	0.15
		2,868.70		1,675.42

Note 38 : 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 ₹ 84,935.68 lakhs (March 31, 2018 ₹ 92,878.58 lakhs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2019 and March 31, 2018.

Note 39 : Financial instruments - fair values and risk management

39.1 Financial instruments by category and fair values

	As at March 31, 2019			**As at March 31, 2018**		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Non-current						
Investments in equity instrument *	-	-	1.75	-	-	1.75
Other financial assets						
- Security deposits	-	-	302.04	-	-	279.70
- Deposits with original maturity of more than 12 months	-	-	5.00	-	-	5.00
Current						
Investments in mutual fund & tax free bond	8,235.82	-	-	10,407.08	-	-

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Trade receivables	-	-	13,211.46	-	-	12,240.73
Cash and cash equivalents	-	-	7,042.48	-	-	2,200.73
Bank balances other than above	-	-	7,070.79	-	-	5,170.17
Other financial assets						
- Staff advance	-	-	21.24	-	-	25.72
- Interest accrued on fixed deposits	-	-	153.34	-	-	125.36
- Interest accrued on others	-	-	4.96	-	-	0.57
- Receivable from related parties	-	-	8.62	-	-	8.62
Total	**8,235.82**	**-**	**27,821.68**	**10,407.08**	**-**	**20,058.35**
Financial liabilities						
Current						
Trade payables	-	-	19,116.32	-	-	18,291.78
Other financial liabilities						
- Interest accrued	-	-	0.00	-	-	-
- Unclaimed dividend	-	-	39.70	-	-	41.96
- Security deposit	-	-	34.30	-	-	37.05
- Creditors for capital goods	-	-	999.54	-	-	437.28
Total	**-**	**-**	**20,189.86**	**-**	**-**	**18,808.07**

* Investment value excludes investment in associates of ₹139 lakhs (March 31, 2018 : ₹ 139 lakhs), investment in joint ventures of ₹ 75.50 lakhs (March 31, 2018 : ₹ 75.50 lakhs), and investment in Subsidiary of ₹ 1 Lakh (March 31, 2018 : NIL), 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, 2019	As At \ March 31, 2018
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in mutual fund	8,235.82	10,407.08
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	**8,235.82**	**10,407.08**

39.2 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) 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.

(iii) 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.

(iv) 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.

(v) 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.

39.3 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, 2019	March 31, 2018
Total liabilities	24,635.90	23,177.53
Less: Cash and cash equivalents	7,042.48	2,200.73
Adjusted net debt	17,593.42	20,976.80
Total equity	43,828.58	35,502.76
Adjusted net debt to equity ratio	0.40	0.59

39.4 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. Market risk

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, 2019	USD	EURO	JPY
Foreign currency exposure not hedged (Sell)	11.24	-	-
Foreign currency exposure not hedged (Buy)	40.55	0.82	0.25
Derivative contract outstanding	-	-	-

March 31, 2018	USD	EURO	JPY
Foreign currency exposure not hedged (Sell)	15.88	-	-
Foreign currency exposure not hedged (Buy)	25.68	0.06	0.25
Derivative contract outstanding	-	-	-

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.

The company has arrangements with major customers on quarterly basis for settlement of exchange fluctuations based on average exchange rate for the previous quarter.

	(Profit) / Loss	
March 31, 2019	**Strengthening**	**Weakening**
USD (5% movement)	(140.23)	140.23
EUR (5% movement)	(3.20)	3.20
JPY (5% movement)	(0.01)	0.01
March 31, 2018		
USD (5% movement)	(31.86)	31.86
EUR (5% movement)	(0.26)	0.26
JPY (5% movement)	(0.01)	0.01

USD: US Dollar, EUR: Euro and JPY: Japan Yen

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 concentration of credit risk in trade receivables of the company is limited.

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 March 31, 2018	-	12,224.06	16.67	12,240.73
Trade Receivables as of March 31, 2019	-	13,198.15	13.32	13,211.46

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, 2019	As at March 31, 2018
Investments	8,453.07	10,623.33
Security deposits	302.04	279.70
Deposit with original maturity of more than 12 months	5.00	5.00
Interest accrued	153.34	125.36
Staff Advance	21.24	25.72
Interest accrued others	4.96	0.57
Receivable from related parties	8.62	8.62
Total	**8,948.27**	**11,068.30**

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, 2019, 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, 2019	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	999.54	999.54	999.54	-	-
Trade payables	19,116.32	19,116.32	19,116.32	-	-
Unclaimed dividends	39.70	39.70	39.70	-	-
Security deposit	34.30	34.30	34.30	-	-
	20,189.86	20,189.86	20,189.86	-	-

March 31, 2018	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	437.28	437.28	437.28	-	-
Trade payables	18,291.78	18,291.78	18,291.78	-	-
Unclaimed dividends	41.96	41.96	41.96	-	-
Security deposit	37.05	37.05	37.05	-	-
	18,808.07	18,808.07	18,808.07	-	-

Note 40: De-merger of Automobile Seating Business: With the view to create a separate and focused entity to support the 'Automobile Seating Business' of the Company, and to capitalize the growth opportunities in a focused manner, the Board of Directors at its meeting held on April 5, 2019 approved a Scheme of arrangement between the Company and NDR Auto Components Limited (wholly owned subsidiary company) and their respective shareholders and creditors u/s 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme"), which is subject to requisite approval(s). The Scheme, inter-alia, envisages demerger of 'Automobile Seating Business' of the Company and transfer and vesting thereof into NDR Auto Components Limited, on a 'going concern' basis w.e.f. December 31, 2018 i.e. appointed date.

Note 41: 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 42: 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: New Delhi
Date: May 27, 2019

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

GUPTA VIGG & CO.
Chartered Accountants

E-61, Lower Ground Floor, Kalkaji, New Delhi-110019 (India) Ph. : (011) 40543700
E-mail : kawal.jain@guptavigg.com / Website : www.guptavigg.com

Independent Auditors' Report

To The Members of NDR Auto Components Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NDR Auto Components Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Board's Report including annexures to the Board's Report, but does not include the financial statements and our auditors' report thereon. The Company's Board's Report including annexures to the Board's Report is expected to be made available to us after the date of this auditors' report.

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

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

The Company's Board's Report including annexures to the Board's Report, is not made available to us as at the date of this auditors' report. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) In our opinion and to the best of our information and according to the explanations given to us, there was no remuneration paid by the Company to its directors during the year in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

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

   iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778
ICAI UDIN: 19524778AAAABJ9194

Place of Signature: New Delhi
Date: 27/08/2019

Annexure 'A' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2019, we report that:

(i) According to the information and explanations given to us, the Company does not have any fixed assets and immovable properties. Thus, paragraph 3(i) of the Order is not applicable to the Company.

(ii) According to the information and explanations given to us, the Company does not hold any physical inventory. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not made any transactions in respect of loans, investments, guarantees and securities. Accordingly, the provisions of clause 3(iv) of the order related to compliance with section 185 and 186 of the Companies Act, 2013 are not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013. Thus, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues, applicable on it, with the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax, cess and other applicable statutory dues in arrears as at March 31 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax, duty of customs, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Based on the information given by the management, the Company has not obtained term loans or raised money through debt instruments.

(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 course of our audit.

(xi) According to the information and explanations given to us, the company has not paid any managerial remuneration during the year ended 31st March, 2019. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is 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 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. Accordingly, paragraph 3(xiv) of the Order is 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, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly, paragraph 3(xvi) of the Order is not applicable.

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

GUPTA VIGG & CO. FRN 001393N NEW DELHI CHARTERED ACCOUNTANTS

(CA. Deepak Pokhriyal)
Partner
Membership Number: 524778
ICAI UDIN: 19524778AAAABJ9194

Place of Signature: New Delhi
Date: 27/08/2019

Annexure 'B' 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 NDR Auto Components 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 with reference to financial statements of NDR Auto Components Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 controls with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 with reference to Financial Statements

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

Opinion

In our opinion, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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
ICAI UDIN: 19524778AAAAJ7194

Place of Signature: New Delhi
Date: 27/08/2019

NDR Auto Components Limited

Balance Sheet as at March 31, 2019

(Currency : Rs. In Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2019
I. Assets		
Current assets		
(a) Financial assets		
Cash and cash equivalents	4	1.00
Total assets		**1.00**
II. Equity and liabilities		
Equity		
(a) Equity share capital	5	1.00
(b) Other equity	6	(0.77)
Total equity		**0.23**
Liabilities		
Current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	7	0.72
(b) Other current liabilities	8	0.05
Total current liabilities		**0.77**
Total liabilities		**0.77**
Total equity and liabilities		**1.00**
Summary of Significant Accounting Policies	3	

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 19524778AAAABJ9194

For & on behalf of Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Director
DIN 07720007

(Ajay Relan)
Director
DIN 00257584

Place of Signature: New Delhi
Date: 27/08/2019

NDR Auto Components Limited
Statement of Profit and Loss for the period ended March 31, 2019

(Currency : Rs. in Lakhs except otherwise specified)

Particulars	Note No.	For the period ended March 31, 2019
I Total income		-
II Expenses		
Other expenses	9	0.77
Total expenses		**0.77**
III Profit/Loss before tax (I-II)		(0.77)
IV Tax expense:		
(a) Current tax		-
(b) Deferred tax		-
Total tax expense		-
V Profit/ (Loss) for the period (III-IV)		(0.77)
VI Earnings per share: (Face value Rs. 10 per share)		
1) Basic (amount in Rs.)		(0.00)
2) Diluted (amount in Rs.)		(0.00)
Summary of Significant Accounting Policies	3	

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 19524778AAAABJ9194

For & on behalf of Board of Directors of
NDR Auto Components Limited

Aggarwal

(Dharam Asrey Aggarwal)
Director
DIN 07720007

(Ajay Relan)
Director
DIN 00257584

Place of Signature: New Delhi
Date: 27/08/2019

NDR Auto Components Limited
Statement of Cash Flows for the period ended March 31, 2019

(Currency : Rs. in Lakhs except otherwise specified)

	Particulars	For the period ended March 31, 2019
A	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Losses before tax	(0.77)
	Operating profit / (loss) before adjustments	(0.77)
	Adjustments for:	
	Increase in other liabilities	0.77
	Cash generated from operating activities	-
	Taxes (paid) / refund	-
	Net cash from operating activities - (A)	-
B	**CASH FLOW FROM INVESTING ACTIVITIES**	
	Net cash used in investing activities - (B)	-
C	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Issue of equity shares	1.00
	Net cash from financing activities - (C)	**1.00**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C)	1.00
	Cash and cash equivalents at the beginning of the period	-
	Cash and cash equivalents at the end of the period [refer note 4]	1.00

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 balances with scheduled banks in current accounts (refer note 4).

As per our report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 19524778AAAAB J9194

For & on behalf of Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Director
DIN 07720007

(Ajay Relan)
Director
DIN 00257584

Place of Signature: New Delhi
Date: 27/08/2019

NDR Auto Components Limited
Statement of Changes in Equity for the period ended March 31, 2019

(Currency : Rs. In Lakhs except otherwise specified)

Particulars	For the period ended March 31, 2019
A. Equity Share Capital	
Opening balance	-
Changes during the period	1.00
Balance as at March 31, 2019	1.00

B. Other Equity

	As At March 31, 2019	
	Reserve & Surplus	
	Retained earnings	Total
Opening balance	-	-
Profit/(loss) for the year	(0.77)	(0.77)
Balance as at March 31, 2019	(0.77)	(0.77)

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 19524778AAAABJ9194

For & on behalf of Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Director
DIN 07720007

(Ajay Relan)
Director
DIN 00257584

Place of Signature: New Delhi
Date: 27/08/2019

Note 1: Corporate Information

NDR Auto Components Limited ("the Company") is primarily engaged in the manufacturing, fabricating and assembling of every kind of automotive components including seats spare parts and components for the seats and to deal in each and every kind of activity associated with the manufacture and trading of any kind of components, whether directly or indirectly or whether in India or abroad.

Note 2: Significant Accounting Policies

2.1 Statement of Compliance:

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on August 27, 2019.

2.2 Basis of preparation and presentation:

The Financial Statements have been prepared on the historical cost convention on accrual basis.

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.

The Company has been incorporated on 19.03.2019 and these Financial Statements are the first Financial Statements of the Company prepared under Ind AS. Therefore, reporting of previous year figures does not become applicable on the Company.

The principal accounting policies are set out below.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2019 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 Use of estimates and judgments:

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, incomes 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.

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 ha: an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Leve 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 o 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 lowes 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 o 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 a: 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:

The Company has not earned any revenue during the period.

3.2 Property, Plant and Equipment (PPE):

There are no Property, Plant and Equipments (PPE) in the Company for the period ended 31st March, 2019.

3.3 Functional and presentational currency:

The Company's Financial Statements are presented in Indian Rupees (INR) which is also the Company's functional and presentation 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 INR lakhs except where otherwise stated.

3.4 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 financia liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction cost which are directly attributable to the acquisition or issue of financial instruments (othe 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, a: appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets financial liabilities at fair value through profit or loss are recognise 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 tha 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.

[This space has been left blank intentionally]

(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

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

3.5 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.

3.6 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 liquic 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 ir value, and bank overdrafts.

3.7 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.

3.8 Recent accounting pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits, Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

Ind AS 116- Leases:

On 30 March 2019, MCA has notified Ind AS 116 - Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.
The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rat and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17 The Company is evaluating the requirements of this new standard on its financial statements.

Appendix C to Ind AS 12, Uncertainty over income tax treatment :
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes c levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretatio specifically addresses the following :

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that bette predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financia statements.

Amendments to Ind AS 19, Plan amendment, curtailment or settlement :
The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that whe a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to :

• Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure th net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

• Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefit offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).
The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amoun is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excludin amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 Apr 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does no expect any impact on its financial statements of such amendment.

Amendments to Ind 23 Borrowing costs:
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activitie necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. Ar entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.

[This space has been left blank intentionally]

(Currency : Rs. In Lakhs except otherwise specified)

Note 4 : Cash and cash equivalents	As At March 31, 2019
Balances with banks:	
- on current account	1.00
	1.00

Note 5 : Equity Share Capital	As At March 31, 2019
Authorised Share Capital	
10,000 equity shares of Rs. 10/- each	1.00
	1.00
Issued, subscribed and fully paid up	
10,000 equity shares of Rs. 10/- each	1.00
	1.00

a) Reconciliation of share capital:

i. Reconciliation of authorised share capital as at period end :

	As At March 31, 2019	
	No. of shares*	Amount
Opening Balance	-	-
Increase/(decrease) during the period	10,000	1,00,000
Balance as at March 31, 2019	**10,000**	**1,00,000**

b) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per share. No dividend was proposed by the Board of Directors during the period ended March 31, 2019. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As At March 31, 2019	
Name of Party	No. of shares*	Holding %
Sharda Motor Industries Limited (The Ultimate Holding Company)	10,000	100.00
Total	**10,000**	**100.00**

*Note: Number of Shares are given in absolute numbers

NDR Auto Components Limited
Notes to Financial Statements for the period ended March 31, 2019

(Currency : Rs. in Lakhs except otherwise specified)

Note 6 : Other Equity	As At March 31, 2019
Retained Earnings	
Opening Balance	-
Add:- Profit/Loss for the period	(0.77)
Balance as at March 31, 2019	(0.77)
Total Other Equity:	
a) Retained Earnings	(0.77)
	0.77

Note 7 : Other Financial Liabilities	As At March 31, 2019
Current	
Audit Fee Payable	0.45
Expenses Payable (Pre-Incorporation)	0.27
Total	0.72

Note 8 : Other Liabilities	As At March 31, 2019
Current	
Statutory dues- Tax Deducted at Source	0.05
Total	0.05

Note 9 : Other expenses	For the period ended March 31, 2019
Pre-incorporation expenses	0.27
Auditor's remuneration	0.50
Total	0.77

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

Payment to auditors	For the period ended March 31, 2019
As auditor:	
- Statutory audit fee	0.50
	0.50

Note 10: Related Party Disclosures

10.1 Name of the Related Party and nature of their Relationship

Name of the Related Party	Relationship
Sharda Motor Industries Limited	Holding Company
Mr. Ajay Relan (Director)	Key Managerial Personnel
Mr. Dharam Asrey Aggarwal (Director)	Key Managerial Personnel

10.2 Nature of Transactions during the period

Rs. in Lakhs

Nature of Transactions	Holding Company
Reimbursement of Expenses (Payable)	0.27
Balance Outstanding at year end (Payable)	0.27

Note 11: Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

Note 12: These Financial Statements have been prepared for the period starting from 19th March, 2019 to 31st March, 2019 and this is the first year for the preparation of the Financial Statements of the Company, therefore requirement regarding the disclosure of previous year figures as per the revised schedule III are not applicable on the Company.

As per our report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778
ICAI UDIN: 19524778AAAADJ9194
Place of Signature: New Delhi
Date:

For & on behalf of Board of Directors of
NDR Auto Components Limited

(Dharam Asrey Aggarwal)
Director
DIN 07720007

(Ajay Relan)
Director
DIN 00257584

This is an Abridged Prospectus containing salient features of business of NDR Auto Components Limited(“ResultingCompany”or“NACL”) and Scheme of Arrangement involving theSharda Motor Industries Limited (“Demerged Company” or “SMIL”) andResulting Company. You may download the Scheme of Arrangement from the website of Sharda Motor Industries Limited and the Stock Exchanges where the equity shares of Sharda Motor Industries are listed (“**Stock Exchanges**”), viz.:www.shardamotor.com, www.nseindia.com and www.bseindia.com.
NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS ABRIDGED PROSPECTUS

NDR Auto Components Limited

(NDR Auto Components Limited was incorporated on March 19, 2019 under the provisions of the Companies Act, 2013 with the Registrar of Companies NCT of Delhi & Haryana. The Corporate Identification Number of the Company is U29304DL2019PLC347460)

Regd. Office: D-188, Okhla Industrial Area, Phase-I,New Delhi – 110020
Tel.: +91 11 47334100; E-mail: ndr_auto_components@outlook.com

Contact Person: Mr. Dharam Asrey Aggarwal

Promoter of the Resulting Company: Sharda Motor Industries Limited

Please ensure that you also read the Scheme of Arrangement which has been approved by the Board of Directors of SMIL and NACL, and the Audit Committee of SMILvide their respectiveresolutions datedApril 5, 2019. The shareholders are advised to retain a copy of the Abridged Prospectus for their future reference.

FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF SMIL ONLY

ABRIDGED PROSPECTUS
In the nature of an Abridged Prospectus containing salient features of the Scheme of Arrangement between Sharda Motor Industries Limited (hereinafter referred to as “SMIL” or the “Demerged Company”) and NDR Auto Components Limited (hereinafter referred to as “NACL” or the “Resulting Company”) and their respective shareholders and creditors under Sections 230 to 232 and the rules made thereunder read with section 66 of the Companies Act, 2013 (hereinafter referred to as the “Scheme”). This Abridged Prospectus discloses applicable information of the unlisted entity i.e. NDR Auto Components Limited, in compliance with SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended (the “SEBI Circular”) relating to the Scheme. This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular, and sets out the disclosures in an abridged prospectus format as provided in Part Eof Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations,2018 (“SEBI ICDR regulations, 2018”), to the extent applicable. The equity shares of Demerged Company are already listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) (NSE and BSE are collectively referred to as the “Stock Exchanges”). Pursuant to the Scheme, Resulting Company will issue and allot equity shares to the shareholders of the Demerged Company, whose names appear in the Register of Members of Demerged Company, on a date (hereinafter referred to as “Record Date”) to be fixed in that behalf by the Board of Directors of the Demerged Company in consultation with the Resulting Company for the purpose of reckoning the names of the equity shareholders of Demerged Company, its equity shares in the ratio of 1 (One) equity share of face value Rs.10/- (Rupees Ten only) each credited as fully paid-up in the Resulting Company for every 1 (One) equity share of face value of Rs. 10/- (Rupees Ten only) each held in Demerged Company as on the record date. The equity shares so issued by Resulting Company will be listed on the Stock Exchanges. The requirements with respect to General Information Document are not applicable and this Abridged Prospectus should be read accordingly.
COMPANY’S ABSOLUTE RESPONSIBILITY
Demerged Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contains all information with regard to Demerged Company and the Scheme, which is material in the context of the Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make the Abridged Prospectus as a whole, or any of such information or the expression of any such opinions or intentions, misleading in any material respect.
MERCHANT BANKER
Sundae Capital Advisors Private Limited 611, Shahpuri Tirath Singh Tower 58, C - Block, Community Centre JanakPuri, New Delhi - 110 058 Tel: +91 11 4914 9740 E-mail: nitin@sundaecapital.com Investor Grievance E-mail: grievances.mb@sundaecapital.com Website: www.sundaecapital.com SEBI Regn. No.: INM000012494

GENERAL INFORMATION

NDR Auto ComponentsLimitedwas incorporated on March 19, 2019 under the provisionsof the Companies Act, 2013 with the Registrar of Companies NCT of Delhi & Haryana. The Corporate Identification Number of the Company is U29304DL2019PLC347460.

Registered Office of the Company

Registered office of the Company is situated at D-188, Okhla Industrial Area, Phase-I,New Delhi – 110020.

Registrar& Share Transfer Agent

As on date the Company has not appointed any Registrar& Share Transfer Agent.

Statutory Auditor

M/s. Gupta Vigg& Co., Chartered Accountants
E-61, Lower Ground Floor,
Kalkaji, New Delhi – 110 019

SCHEME DETAILS AND PROCEDURE

Pursuant to the Scheme of Arrangement between Sharda Motor Industries Limited (**"SMIL"** or **"DemergedCompany"**) and NRD Auto Components Limited ("**NACL**"or **"Resulting Company"**) and their respective shareholders (**"Scheme"**), the automobile seating undertaking of the Demerged Company engaged in the manufacturing of automobile seating is proposed to be demerged into NACL. For the purposes of obtaining approval under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated stock exchange is the National Stock Exchange of India Limited.

In consideration of the aforementioned demerger, NACL shall issue equity shares to shareholders of the SMILin the manner as set out in the Scheme.

PROMOTERS OF THE DEMERGED COMPANY

The Promoter of NACL is Sharda Motor Industries Limited ("**SMIL**") and holds100% of the total outstanding issued and paid-up share capital of NACL, prior to giving effect to the proposed Scheme,entire capital (100%) of the Capital arecurrently held by Sharda Motor Industries Limited. SMIL was incorporated under the provisions of Companies Act, 1956 on January 29, 1986 bearing Corporate Identification Number L74899DL1986PLC023202. The registered office of SMIL is situated at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020. The equity shares of SMIL are listed on BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE").

SMIL has the following business undertakings:

a) Suspension, Exhaust, Silencer, Canopy and White Goods Undertaking engaged in manufacturing of suspension, exhaust, silencer, Canopy and white goods i.e. Air Conditioner & Components thereof; and

(b) Automobile Seating Undertaking engaged in manufacturing of automobile seating.

Largest listed group companies (based on market capitalisation)

1) Sharda Motor Industries Limited

2) Bharat Seats Limited

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Overview

NDR Auto Components Limited ("**NACL**") was incorporated on March 19, 2019. The main objects of the Company are :

i. To carry on the business of assembling, blending, manufacturing, design, development, dealing and supplying components, engineering goods, equipment and interior components for the automotive and non-automotive industry for domestic and export purposes.

ii. To carry on the business of manufacturing fabricating and assembling, buying, selling, Import, export, distribution and dealing in or all and every kind of automotive components including seats, spare parts and component for the seats and to deal in each and every kind of activity associated with the manufacture and trading of any kind of components, whether directly or indirectly or whether in India or abroad.

iii. To carry on the business of manufacturing, trading, import, export in any and of or every kind of parts, interiors and components made from rubber, foam, rubberized foam, coir, yarn, (whether synthetic or woolen) whether used singly or by blending of or with various chemicals for various automotive or non-automotive application.

iv. To carry on the business of design, development, testing, validation of all and every type of components, advisory of setting up of manufacturing line, process(es), suppliers of technical know-how, equipments and man power suppliers, site planners etc.

Pursuant to Scheme of Arrangement, SMIL will demerge the Automobile Seating Undertaking engaged in manufacturing of automobile seating into NACL w.e.f. December 31, 2018 (end of the day), the appointed date.The proposed restructuring pursuant to this Scheme is expected, inter alia, to result in following key benefits:

(A) The Automobile Seating Undertaking carried on by SMIL has significant potential for growth. The nature of risk, competition, challenges, opportunities and business methods for the Automobile Seating Undertaking is separate and distinct from the other business of the Company. The Automobile Seating Undertaking would become capable of attracting a different set of investors, strategic partners, lenders and other stakeholders and would further enhance the shareholders wealth.

(B) The management teams and Board of Directors of SMIL and NACL would be able to chart out independent strategies of their respective businesses to maximize value creation for their respective stakeholders. Demerger shall enhance focus of management on the operations of the Automobile Seating Undertaking by NACL and Suspension, Exhaust and Silencer, White goods Undertaking (Other than Automobile Seating Undertaking)by SMIL.

(C) As part of the Resulting Company, the Automobile Seating business shall be amenable to benchmarking, and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.

(D) The demerger will permit increased focus by SMIL and NACL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

BOARD OF DIRECTORS OF THE RESULTING COMPANY

Sr. No.	Name, DIN and Address	Designation	Experience
1.	Ms. Sharda Relan DIN :00252181 Address: 25, Sardar Patel Marg Chanakya Puri, New Delhi – 110 021	Director	Smt. Relan, 84 year, has a more than 52 yearsof experience in management in automobile components sector and financial services. She is also associated with various charitable institutions and is an active member of Inner Wheel Club and Child Society of India. She plays an active role in various social organizations.
2.	Mr. Ajay Relan DIN : 00257584 Address: 25, Sardar Patel Marg Chanakya Puri, New Delhi – 110 021	Director	Sh. Ajay Relan completed his B.Com (Hons.) and took three years training from Harvard Business School, U.S.A under Owner/President Management (O.P.M.) Programme. He is an entrepreneur having more than 35 years experience in the line of manufacture of automobile components and setting up of new projects and its successful implementation.
3.	Mr. Dharam Asrey Aggarwal DIN: 07720007 Address: B-21 Rampuri, Near Surya Nagar, Ghaziabad- 201011	Director	Sh. Dharam Asrey Aggarwal has an experience of more than 43 years in the area of finance & accounts. He is well equipped with the techniques and strategies of operations of business. He is a leader and motivator, who has always believed in the principle of team work.

OBJECTS OF THE ISSUE

The ResultingCompany does not propose to raise any capital and the equity shares of the ResultingCompany are unlisted. The Resulting Company will issue its equity shares to the shareholders of Demerged Company on the Record Date to be fixed in this behalf by the Board of Directors of the Demerged Company in consultation with the Resulting Company in the ratio as specified in the Scheme and approved by the Hon'ble NCLT. The equity shares so issued by the Resulting Company will be listed on the Stock Exchanges.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years: Not Applicable

CAPITAL STRUCTURE OF THE RESULTING COMPANY

PRE SCHEME	
Authorised Share Capital	₹1,00,000 comprising of 10,000 equity shares of face value ₹ 10 each
Issued, Subscribed and Paid up Capital	₹1,00,000 comprising of 10,000 equity shares of face value ₹ 10 each
POST SCHEME	
Authorised Share Capital	The Company has given an undertaking dated September 7, 2019, that pursuant to the effectiveness of the Scheme of Arrangement the company will increase the authorised share capital.
Issued, Subscribed and Paid up Capital	₹ 5,94,63,260 comprising of 59,46,326 equity shares of face value ₹ 10 each

Based on the above, the pre and post Scheme shareholding pattern of the ResultingCompany would be as under:

Sr. No.	Particulars	Pre Scheme (number of shares)	Pre Scheme (%age holding)	Post Scheme (number of shares)	Post Scheme (%age holding)
1	Promoter and Promoter Group*	10,000	100.00	43,52,579	73.20
2	Public	-	-	15,93,747	26.80
3	Custodians / Non Public Non promoter shareholders	-	-	-	-
	Total	**10,000**	**100.00**	**59,46,326**	**100.00**

* includes 6 (Six) Nominee Shareholders holding 1 (one) share each on behalf of SMIL.

SUMMARY OF AUDITED FINANCIALS OF THE RESULTING COMPANY

NDR Auto Components Limited was recently incorporated on March 19, 2019. Hence, the company is yet to prepare the financial statements.

INTERNAL RISK FACTORS

1. The Scheme for transfer and vesting of 'Automobile Seating Undertaking' of the Demerged Company to the Resulting Company with effect from the Appointed Date is subject to the conditions / approvals as envisaged under the Scheme and any failure to receive such approvals will result in non-implementation of the Scheme and may adversely affect the shareholders.
2. Any increase in prices of raw materials will raise Company's manufacturing costs and could affect the profitability.
3. The Company's business is dependent on its manufacturing facilities. The loss of or shutdown of operations at any of its manufacturing facilities may have a material adverse effect on its business, financial condition and results of operations.
4. Our future growth will be contingent upon our ability to finance our working capital requirements.
5. Our industry is competitive and increased competitive pressure may adversely affect the resultsof our operations
6. Change in the regulatory environment may significantly impact the Company's business model and operations.
7. Our Company requires a number of approvals, licenses, registrations and permits for its business and failure to obtain or renew them in a timely manner may adversely effect its operations.
8. We are susceptible to product liability claims that may not be covered by warranties and assurances from our suppliers or by insurance, and which, if successful, could require us to pay substantial sums.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

A. Total number of outstanding litigations against the Company and amount involved: **Nil**

B. Regulatory action, if any. Disciplinary action taken by SEBI or stock exchange against the Promoter / Promoter Group companies in the last 5 years including outstanding action, if any: **SMIL is the sole promoter of the Resulting Company. No regulatory / disciplinary action has been taken by SEBI or stock exchanges against SMIL / Promoter Group companies in the last 5 years nor is any such matter pending for disposal.**

C. **Brief details of outstanding criminal proceedings against Promoter (SMIL):Nil**

ANY OTHER MATERIAL INFORMATION OF THE COMPANY: NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this abridged prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true and correct.

For **NDR Auto Components Limited**

Sd/-
Dharam Asrey Aggarwal
Director

Date: September 16, 2019

SUNDAE
Sundae Capital Advisors Private Limited
CIN: U65990DL2016PTC305412

611, Shahpuri Tirath Singh Tower
58, C - Block, Community Centre
Janak Puri, New Delhi - 110 058

Ph.: +91 11 4914 9740
E-mail: info@sundaecapital.com
www.sundaecapital.com

September 20, 2019

To

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, Block -G
BandraKurla Complex
Bandra (East), Mumbai - 400 051

BSE Limited
Corporate Relationship Department
P.J. Towers, Dalal Street
Mumbai - 400 001

Sub.: Proposed Scheme of Arrangement between Sharda Motors Industries Limited and NDR Auto Components Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker, having Registration No. INM000012494 have been appointed by Sharda Motors Industries Limited to provide a compliance report with respect to adequacy and accuracy of disclosures made in the Abridged Prospectus dated September 16, 2019 (the **"Abridged Prospectus"**) under the Proposed Scheme of Arrangement between Sharda Motors Industries Limited and NDR Auto Components Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.

Scope and Purpose of Compliance Report

As required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, a compliance report has to be obtained from a merchant banker on the information to be disclosed in the Explanatory Statement to the Notice to be issued for Tribunal convened meeting of the shareholders of listed company in line with information disclosed in abridged prospectus in terms of Part E of Schedule VI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The purpose of abridged prospectus is to inform the shareholders about the information / details of unlisted company, to the extent applicable, involved in the Scheme.

Sources of the Information

We have received the following information from the Management of Sharda Motors Industries Limited and NDR Auto Components Limited:

1. Draft Scheme of Arrangement
2. Disclosure in the format of Abridged Prospectus dated September 16, 2019 prepared in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017
3. Information / documents / undertakings, etc provided by the Management of Sharda Motors Industries Limited and NDR Auto Components Limited pertaining to the disclosures made in the Abridged Prospectus dated September 16, 2019.

Compliance Report

1. As required under the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, we have examined the disclosures made in the Abridged Prospectus issued by NDR Auto Components Limited, which shall form part of the explanatory statement to the Notice to be issued by Sharda Motors Industries Limited.

Sundae Capital Advisors Private Limited

SUNDAE

2. Accordingly, we confirm that the information disclosed in the Abridged Prospectus contains all applicable information required in respect of unlisted entity involved in the Scheme, i.e. NDR Auto Components Limited, in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Thanking you,

Yours sincerely,
*For **Sundae Capital Advisors Private Limited***
(SEBI Regn. No. INM000012494)

NitiN Somani
Managing Director

This page has been left intentionally blank

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

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
NEW DELHI BENCH
COMPANY PETITION NO. CA (CAA) - 137 (PB) / 2019
In the matter of the Companies Act, 2013;
And
In the matter of sections 230 to 232 read with Section 66 and other provisions of the Companies Act, 2013;
And
In the matter of Scheme of Arrangement of Sharda Motor Industries Limited ("Demerged Company / SMIL") With NDR Auto Components Limited ("Resulting Company/ NACL") and their respective shareholders and creditors

EQUITY SHAREHOLDERS MEETING

PROXY FORM

Form MGT-11

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

Name :

Jt. :

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 Court Convened Meeting of Equity Shareholders of the Company to be held on Wednesday, 20th November, 2019 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.	The Scheme of Arrangement between Sharda motor Industries Limited (Demerged Company) and NDR Auto Components Limited (Resulting Company) and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013

Signed this ………………day of …………………2019

Signature of shareholder ……………………………….

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

Affix Re 1.00 Revenue Stamp

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. Please affix appropriate revenue stamp before putting signature.
3. The Proxy form should be signed across the stamp as per specimen signature registered with the Registrar & Share Transfer Agent/ Depository.
4. For the resolution along with its notes and explanatory statement please refer to the notice of Court Convened Meeting of Equity Shareholders.
5. Please complete all details including details of member(s) in the above box before submission.
6. All alterations made in the Proxy form should be initialled.
7. A Proxy need not be a shareholder of Sharda Motor Industries Limited.
8. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting results. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

MEETING OF THE EQUITY SHAREHOLDERS OF SHARDA MOTOR INDUSTRIES LIMITED
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 Meeting of Equity Shareholders of the Company, convened pursuant to Order dated October 10, 2019 of the Hon'ble National Company Law Tribunal, New Delhi, Bench at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India on Wednesday, the 20th November, 2019 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:

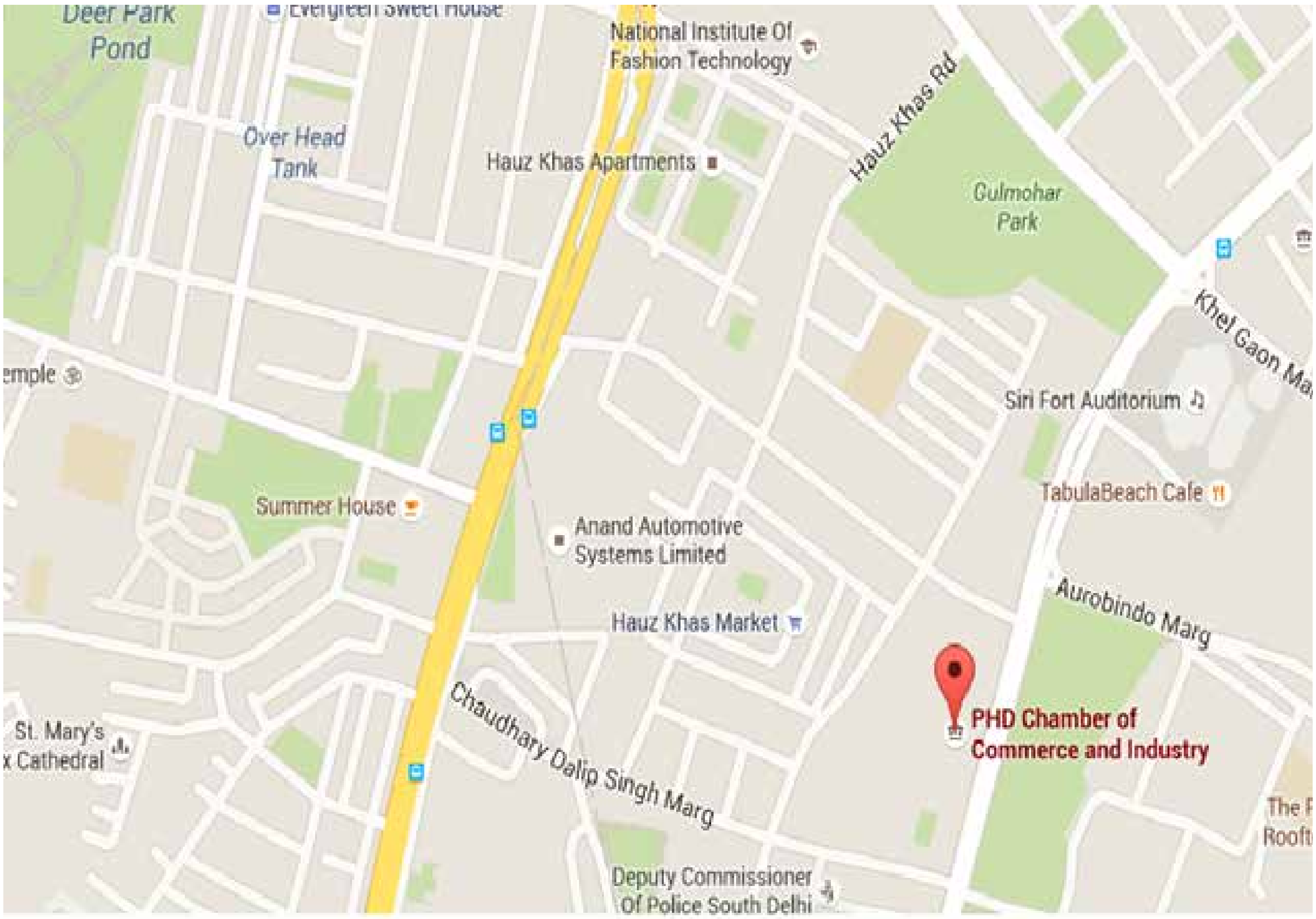
1. Please complete the Folio No./ DP ID / Client ID and name, sign this Attendance Slip and handover at the Attendance Verification Counter at the meeting hall.
2. Electronic copy of the Notice of the Equity Shareholders Meeting along with Attendance Slip and Proxy Form is being sent to all the members 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 Meeting can print copy of this Attendance Slip.
3. Physical copy of the Notice of the Equity Shareholders 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.
4. Equity Shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.

E-VOTING PARTICULARS

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

Note: Please read instructions given under Note to the Notice of 34 Annual General Meeting carefully before voting electronically.

ROUTE MAP


Deer Park
Pond
Evergreen Sweet House
National Institute Of
Fashion Technology
Hauz Khas Rd
Over Head
Tank
Hauz Khas Apartments
Gulmohar
Park
Khel Gaon Ma
Siri Fort Auditorium
TabulaBeach Cafe
Summer House
Anand Automotive
Systems Limited
Aurobindo Marg
Hauz Khas Market
PHD Chamber of
Commerce and Industry
St. Mary's
Cathedral
Chaudhary Dalip Singh Marg
Deputy Commissioner
Of Police South Delhi