Sharda Motor Industries Ltd.

SMIL: LISTING: 17-18/0308-01 **03rd August, 2017**

BSE Limited
Department of Corporate Services
Pheroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
(SCRIP CODE - 535602)

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra - Kurla Complex, Mumbai - 400 051
(Symbol - SHARDAMOTR) (Series - EQ)

Subject: - Notice of 32nd Annual General Meeting

Dear Sir/ Madam,

Please find enclosed herewith a copy of the Notice of 32nd Annual General Meeting of the Company to be held on Wednesday, 30th August, 2017 at 12:00 Noon (IST), at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016, India, circulated to the shareholders, for your information and records.

Kindly acknowledge the same.

Thanking you,
Yours faithfully,
For **SHARDA MOTOR INDUSTRIES LIMITED**

Narender Aggarwal
Assistant Company Secretary
Encl:

SHARDA MOTOR INDUSTRIES LTD. New 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.shardamotor.com
CIN NO-L74899DL1986PLC023202

32nd Annual Report
2016-17

SHARDA
MOTOR INDUSTRIES LIMITED

BOARD OF DIRECTORS	KISHAN N PARIKH	Chairperson
	N.D. RELAN	Co-Chairperson (ceased w.e.f. 2nd June, 2016)
	SHARDA RELAN	Co-Chairperson (w.e.f. 10th August, 2016)
	AJAY RELAN	Managing Director & CEO
	ROHIT RELAN	Director
	R. P. CHOWDHRY	Director
	PROF. ASHOK KUMAR BHATTACHARYA	Director
	SATINDER KUMAR LAMBAH	Director
	BIRESWAR MITRA	Executive Director
CHIEF FINANCIAL OFFICER	VIVEK BHATIA (w.e.f. 10th August, 2016)	
	PRADEEP RASTOGI (upto 10th August, 2016)	
COMPANY SECRETARY	NITIN VISHNOI	
AUDITORS	**STATUTORY AUDITORS** M/s. S. R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS NEW DELHI	
	SECRETARIAL AUDITORS M/s. VKC & ASSOCIATES (earlier known as M/s. V.K. Chaudhary & Co.) COMPANY SECRETARIES NOIDA	
	COST AUDITORS M/s. GURDEEP SINGH & ASSOCIATES COST ACCOUNTANTS NEW DELHI	
BANKERS	YES BANK IDFC BANK CITI BANK CTBC BANK STATE BANK OF INDIA	
REGISTERED OFFICE	D-188, OKHLA INDUSTRIAL AREA, PHASE - I, NEW DELHI - 110 020 WEBSITE: WWW.SHARDAMOTOR.COM E-MAIL: INVESTORRELATIONS@SHARDAMOTOR.COM Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676 CIN: L74899DL1986PLC023202	

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Managing Director's Message



AJAY RELAN

Dear Valued Stakeholders

Fiscal year 2016-17 has been a year of positive sentiments for the Indian economy which can clearly be measured from the economic measures like reduced inflation and fiscal deficit. India is now led by a strong and stable government which is capable of taking bold and visionary decisions. It is needless to say that India is passing through a more economically and politically stable phase in the recent history. The Gross Domestic Product (GDP) in the range of a steady 6.5-7%.

Demonetization period was a difficult phase for the economy; however we welcomed the decision of the government warm heartedly since it was for the larger good of the country. Other major initiatives taken by the Government of India like bankruptcy law, implementation of GST, ease of doing business, focus of infrastructure development etc. are the seeds sown by the government for bright future of the country.

I am very happy to share the performance of the Company in the FY 2016-17 as the Net Profit of the Company has increased by approximate 64% since the last year, which is a very healthy sign of achieving the operational efficiency through laborious efforts and continuous process development.

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

I would like to appreciate the hard working and dedicated employees of SMIL who are at the base of this improved performance and who make it possible to achieve the goals and targets of the Company with increased efficiency.

Finally, on behalf of all the directors and SMIL management, I would like to thank to all our customers, suppliers, bankers, professionals, associates, Central and State Governments for their support and assistance.

NOTICE

NOTICE is hereby given that the Thirty Second (32nd) Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited will be held at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016, India, on **Wednesday, the 30th day of August, 2017** at 12:00 Noon (IST) to transact the following business(es):

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2017 along with the reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend for the financial year 2016-17.
3. To re-appoint Smt. Sharda Relan (DIN:00252181), who retires by rotation and being eligible offers herself for re-appointment.
4. To re-appoint Shri R. P. Chowdhry (DIN:00337775), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint statutory auditors and fix their remuneration

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee and the Board, M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N), be and are hereby appointed as statutory auditors of the Company, in place of retiring auditors M/s. S.R. Dinodia & Co. LLP, Chartered Accountants (Firm Registration No. 01478N/N500005), to hold office from the conclusion of this 32nd Annual General Meeting (AGM) until the conclusion of the 37th AGM, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.".

SPECIAL BUSINESS:

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

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, and rules framed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other permissions as may be necessary, the members hereby ratify the remuneration of Rs. 1,00,000/- (Rupees One Lakh only) plus applicable taxes and other out-of pocket expenses payable to M/s. Gurdeep Singh & Associates, Cost Accountants, appointed by the Board of Directors of the Company to conduct the audit of cost records of the specified products (i.e. Accessories of Air conditioners, Parts of house hold and others and all types of Generator Parts) for the financial year 2017-18."

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

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

Dated : 17th July, 2017
Place : New Delhi

Nitin Vishnoi
Company Secretary
M. No. F3632

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business(es) set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pertaining to the Directors proposed to be appointed/ re-appointed is also annexed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the commencement of meeting.

   Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send to the company a certified true copy of board resolution together with specimen signatures of the said authorised representative(s) to attend and vote on their behalf at the meeting.

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

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 24th August, 2017 to Wednesday, 30th August, 2017 (both days inclusive).

4. Subject to the provisions of the Companies Act, 2013, final dividend, if declared by the members at the Annual General Meeting, will be paid to those members, whose names appears on the Company's Register of Members as on 23rd August, 2017 i.e. record date. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Alankit Assignments Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited.

6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Alankit Assignments Limited for assistance in this regard.

7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

8. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

9. Members having any question on financial statements or any agenda item proposed in the notice of AGM are requested to send their queries at an early date to enable the management to keep the relevant information ready at the meeting.

10. Members of the Company are informed that pursuant to the provisions of the Companies Act, 2013 or any statutory re- enactment thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund ("IEPF") constituted by the Central Government and thereafter, no claims shall lie against the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividends to IEPF are as under:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	PROPOSED DUE DATE FOR TRANSFER TO IEPF
31.03.2010	18.08.2010	16.09.2017
31.03.2011	22.01.2011*	20.02.2018
31.03.2011	08.08.2011	06.09.2018
31.03.2012	24.01.2012*	22.02.2019
31.03.2012	12.09.2012	10.10.2019
31.03.2013	06.02.2013*	04.03.2020

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	PROPOSED DUE DATE FOR TRANSFER TO IEPF
31.03.2013	02.09.2013	30.09.2020
31.03.2014	29.01.2014*	27.02.2021
31.03.2014	03.09.2014	01.10.2021
31.03.2015	10.02.2015*	08.03.2022
31.03.2015	26.08.2015	24.09.2022
31.03.2016	05.02.2016*	03.03.2023
31.03.2016	07.09.2016	05.10.2023
31.03.2017	05.02.2017*	03.03.2024

* Interim Dividend

11. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Annual Report and Notice is also available on Company's website www.shardamotor.com

12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Alankit Assignments Limited/Depositories.

13. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, Secretarial Standard-2 and Listing Regulations, Company is pleased to provide facility of remote e-voting to all its members to enable them to cast their votes on all resolutions set forth in this notice electronically. Remote e-voting is optional and not mandatory. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing remote e-voting facility to all its Members.

    The instructions for e-voting are as under:

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

    (i) The shareholders should log on to the e-voting website www.evotingindia.com.

    (ii) Click on Shareholders.

    (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in physical form should enter Folio Number registered with the Company)

    (iv) Enter the Image Verification as displayed and Click on Login.

    (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip. • In case the sequence number is less than 8 digits, enter the applicable number of zeros (0s) before the number after the first two characters of the name in CAPITAL letters. E.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

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

    (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

(xv) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xvi) Shareholders can cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google play store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xvii) Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www. evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

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

(D) The Remote e-voting period will commence on Sunday, 27th August, 2017 (09:00 a.m. IST) and ends on Tuesday, 29th August, 2017 (05:00 p.m. IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-Off date i.e. Wednesday, 23rd August, 2017 (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the Member, he shall not be allowed to change it subsequently.

14. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Wednesday, 23rd August, 2017 (the "Cut-Off Date") shall only be entitled to vote through remote e-voting and at the AGM. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-Off date. A person who is not a member as on the Cut-Off date should treat this notice for information purpose only.

15. At the venue of the AGM, voting shall be done through ballot papers ("Polling Paper") and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.

16. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the venue of the AGM. If a member casts votes through remote e-voting and also at the AGM, then voting done through remote e-voting shall prevail and voting done at the AGM shall be treated as invalid.

17. Shri Vineet K Chaudhary, Company Secretary in whole time Practice (Membership No. FCS 5327), having consented to act as a scrutinizer, has been appointed as the Scrutinizer ("Scrutinizer") to scrutinize the voting process (Ballot Paper as well as remote e-voting) in a fair and transparent manner.

18. The results of the voting on resolutions shall be declared by the Chairman/Co-Chairperson or any other person authorised by him/her in writing after the AGM within the prescribed time limits. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www.shardamotor.com and will also be available on the website of CDSL i.e. www.cdslindia.com and will be communicated to the stock exchanges, where the shares of the Company are listed.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

20. All the documents referred to in the accompanying notice will be available for inspection at the Registered Office of the Company during 11:00 a.m. to 01:00 p.m. on all working days i.e. Monday to Friday up to the date of AGM and will also be available for inspection at the meeting.

21. **INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARD-2:**

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

Particulars	**Smt. Sharda Relan**	**Shri R. P. Chowdhry**
Date of Birth (Age)	11th August, 1935 (81 years)	16th May, 1925 (92 years)
Nationality	Indian	Indian
Date of first Appointment on the Board	29th January, 1986	29th August, 1986
Qualification	Graduate	B. Tech
Experience or expertise in specific functional area	Corporate Management	Business Management
Shareholding in the Company	Nill	600
Terms & conditions of appointment/ re-appointment	As per the provisions of the Companies Act, 2013 and Nomination and Remuneration Policy of the Company	As per the provisions of the Companies Act, 2013 and Nomination and Remuneration Policy of the Company
Directorships held in other companies in India	1. Bharat Seats Limited 2. Relan Industrial Finance Limited 3. Sharda Auto Solutions Private Limited	None
Chairman/ Member of Committee of the Board of other public companies in which they are director	None	None
Remuneration last drawn (including sitting fees, if any)	Rs. 257.46 Lakhs	Rs. 2.40 Lakhs
Remuneration proposed to be paid	As per existing terms & conditions	As per existing terms and conditions
Relationship with other Director / KMP	1. Ajay Relan (Son) 2. Rohit Relan (Son)	1. Ajay Relan (Daughter's Husband)
Number of meeting of the Board attended during the year	One	Three

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

Date : 17th July, 2017
Place : New Delhi

Nitin Vishnoi
Company Secretary
M.No. F3632

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

Item No. 6

The Board had on 30th May, 2017, on the recommendation of the Audit Committee, approved the appointment and remuneration, subject to the ratification by the shareholders, of M/s. Gurdeep Singh & Associates, Cost Auditors to conduct the audit of cost records of the specified products (i.e. Accessories of Air conditioners, Parts of house hold and others and all types of Generator Parts) at a remuneration of Rs. 1,00,000/- (Rupees One Lakh only) plus applicable taxes and other out-of pocket expenses for the financial year 2017-18.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2017-18 by way of an ordinary resolution is being sought from the members as set out at item no. 6 of the Notice.

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

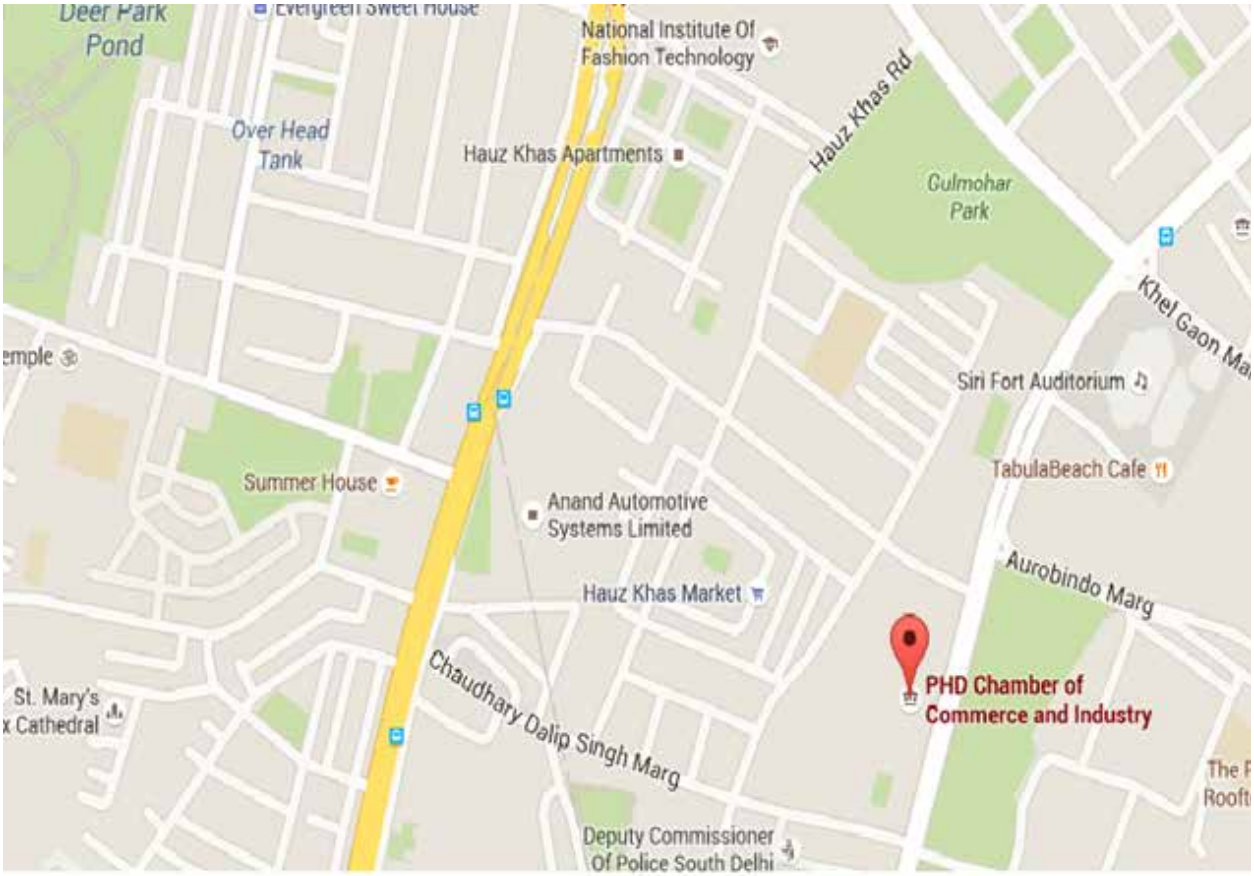
The Board has recommended the above ordinary resolution for your approval.

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

Date : 17th July, 2017
Place : New Delhi

Nitin Vishnoi
Company Secretary
M.No. F3632

Road map to the venue of the AGM



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Second (32nd) Directors' Report on the business and operations of the Company together with the financial statements for the financial year ended on 31st March, 2017.

FINANCIAL SUMMARY

(Rs. in Lakhs)

Particular	Standalone		Consolidated	
	Year Ended 31st March, 2017	Year Ended 31st March, 2016	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Revenue from operations	1,04,261.18	92,684.70	104,925.41	92,732.41
Other Income	1,119.78	1,405.12	1,038.21	1,326.88
Total Revenue	**1,05,380.96**	**94,089.82**	**105,963.62**	**94,059.29**
Profit before Financial Charges, Depreciation	14,223.93	11,036.54	14,333.14	10,968.37
Less : Financial Costs	726.51	1,213.19	726.84	1,213.19
Profit before Depreciation, Exceptional Items & Taxes	13,497.42	9,823.35	13,606.30	9,755.18
A. Depreciation	4,979.37	4,421.52	5,005.66	4,432.43
B. Exceptional items	915.27	357.43	915.27	359.25
Taxation				
– Current Tax	2,939.79	1,730.00	2984.16	1732.55
– Deferred Tax Charged/ (Released)	(672.07)	(38.02)	(673.62)	(38.02)
– Adjustments for earlier years	(262.36)	(69.98)	(262.36)	(69.98)
Add: Current year profit from associates	-	-	331.50	191.84
Net Profit after Tax	**5597.42**	**3422.40**	**5,968.69**	**3,530.79**
Add: Profit brought forward from Previous year	1446.15	1,518.37	3,060.56	3,021.00
Profit available for appropriation	7043.57	4,940.77	9,029.25	6,551.79
APPROPRIATIONS				
Proposed Dividend	-	371.64	-	371.64
Tax on Proposed Dividend	-	75.67	-	75.67
Interim Dividend	371.64	371.64	371.64	371.64
Tax on Interim Dividend	75.67	75.67	75.67	75.67
Transferred to General Reserves	-	2,600.00	-	2,600.00
Depreciation Adjustment as per Schedule II of Companies Act, 2013	-	-	-	-
Balance carried forward to Balance Sheet	6,596.26	1,446.15	8,581.94	3057.17
Paid-up equity share capital (Face value of Rs. 10/- each)	594.63	594.63	594.63	594.63

OPERATIONAL PERFORMANCE

During the year under review, the total revenue from operations and other income was Rs. 1,05,380.96 Lakhs as against Rs. 94,089.82 Lakhs of previous year. Profit before taxation has increased from Rs. 5,044.40 Lakhs to Rs. 7,602.78 Lakhs during the year. Finance cost has been reduced to Rs. 726.51 Lakhs from Rs. 1,213.19 Lakhs. Net Profit after taxes of the company has increased by approx 64% year on year basis.

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

DIVIDEND

Your directors are pleased to recommend a final dividend of Rs. 6.25 per equity share for the year ended 31st March, 2017 out of the current year's profits, in addition to the Interim Dividend of Rs. 6.25 per equity share i.e. 62.5% already paid for the year, thus making a total Dividend to Rs. 12.50/- per equity share i.e. 125% on the paid up equity shares Rs. 10/- each.

Final dividend of Rs. 6.25/- per equity share, if approved at the ensuing Annual General Meeting, shall be paid out of the profits of the Company to those share holders whose name appear in the Register of Members on 23rd August, 2017.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Shri N. D. Relan (DIN:00240280), Co-Chairperson of the Company, ceased to be a director of the Company due to his sad demise on 2nd June, 2016. The Board places on record its deep appreciation for the enormous contributions made by him since inception of the Company. During the year under review, Smt. Sharda Relan (DIN:00252181), was appointed as whole-time director and Co-Chairperson of the Company w.e.f. 10th August, 2016.

Pursuant to the Companies Act, 2013 and Listing Regulations, Shri Satinder Kumar Lambah (DIN:07425155) was appointed as an additional director designated as independent director of the Company on 05th February, 2016 and subsequently his appointment as a Director (designated as independent director) was approved by shareholders at 31st Annual General Meeting to hold office for a term of up to five consecutive years on the board of the company.

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

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

During the year Shri Pradeep Rastogi, Chief Financial Officer of the company, has resigned from the office of Key Managerial Personnel (i.e CFO) w.e.f. 10th August, 2016 and Shri Vivek Bhatia has been appointed as Chief Financial Officer at his place w.e.f. 10th August, 2016.

A brief profile of the above mentioned directors seeking appointment/ re-appointment at the ensuing Annual General Meeting of the Company has been provided in the Notice of the said meeting.

Number of Board and committee meetings including the date of the meeting and attendance thereof by each director during the year is given in Report on Corporate Governance that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

BOARD LEVEL PERFORMANCE EVALUATION

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

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

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

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

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

NOMINATION, REMUNERATION & EVALUATION POLICY

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

AUDIT COMMITTEE

Audit Committee comprises of three members out of which two are independent directors and one is executive director. Shri Kishan N Parikh, Independent Director, is the Chairperson of the Committee. All three members of committee have adequate financial & accounting knowledge and background. Detailed information regarding the number of committee meetings, terms of

reference etc. are provided in the Corporate Governance Report forming part of this annual report. All recommendations of the Audit Committee, whenever made, were accepted by the Board during the financial year 2016-17.

AUDITORS

Secretarial Auditors

The Board has appointed M/s. VKC & Associates, earlier known as M/s. V. K. Chaudhary & Co., (Company Secretaries in practice holding CP. No 4548) to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Statutory Auditors

M/s. S.R. Dinodia & Co. LLP, Chartered Accountants (Registration No. 01478N/N500005), Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting. The Company has received the consent from M/s. Gupta Vigg & Co., Chartered Accountants (Registration No. 001393N) and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Company in terms of the provisions of the Companies Act 2013 ("Act") and rules made thereunder and that their appointment, if made, will be within the prescribed limits under the Act. Accordingly, the Audit Committee and the Board of directors have recommended the appointment of M/s. Gupta Vigg & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the ensuing Annual General Meeting till the conclusion of the 37th Annual General Meeting on remuneration to be decided by the Board or Committee, subject to ratification by the shareholders at every Annual General Meeting. The first year of audit will be of the financial statement of the year ending 31st March, 2018.

There was no incident related to fraud during the financial year, which was reported to the Audit Committee or Board of Directors under section 143(12) of the Companies Act 2013 by the Statutory Auditors of the Company. Auditors' report is self-explanatory and therefore does not require further comments and explanation.

Cost Auditors

Based on the recommendation of audit committee, M/s. Gurdeep Singh & Associates, Cost Accountants (holding M.No. 9967, being eligible have been re-appointed by the Board as the Cost Auditors of the Company for the financial year 2017-18 subject to ratification of remuneration by the members in the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their re-appointment would be within the limits prescribed under Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of section 141 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

Your company is committed towards the goal of sustainable development for improving the education and health of under privileged children of the society. The Company recognizes that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of its corporate responsibilities can enhance the overall performance of the Company.

During the year under review, Corporate Social Responsibility Committee was re-constituted due to the sad demise of Shri N. D. Relan, Chairman of the Committee. Shri Ajay Relan & Shri Satinder Kumar Lambah were inducted as the new committee members and Smt. Sharda Relan was appointed the Chairperson of the Committee w.e.f. 10th August, 2016. Details of composition of Committee, no. of meetings, attendance at the meetings, are provided in the Corporate Governance Report forming part of this annual report. Corporate Social Responsibility Policy of the company is available on the website of the Company (www.shardamotor.com).

Your Company has identified various projects and programs where it can possibly contribute under its CSR initiatives. During the financial year 2016-17, Sharda CSR Foundation Trust, philanthropic arm of the Company, has organised blood donation camps in all the units of the Company across India, aiming to fulfill its goals of better healthcare. The Company has also taken firm steps for the infrastructure development in government schools for improving the primary education in the urban and semi-urban parts of the Country, preferably where the company operates, and has started funding to them.

CSR expenditure of the Company during the current financial year has increased almost by fifty percent and will continue to grow as more programmes will be rolled down in the coming years and the Company will widen its area of coverage.

In terms of Section 135 and rules made thereunder an annual report on CSR activities, expenditure, committee composition etc. is provided as **Annexure III** to the Director's report.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans, guarantees and investments under section 186 have been disclosed in the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in Form AOC – 2 are appended as **Annexure VIII** forming part of this report.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Listing Regulations, is presented in a separate section forming part of this Annual Report.

VIGIL MECHANISM

The Company has a vigil mechanism for directors and employees to report their genuine concerns. Vigil Mechanism/Whistle Blower policy is available on the Company's website www.shardamotor.com.

PUBLIC DEPOSITS

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

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

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

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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

However, during the financial year 2016-17, a petition has been filed against the Company by Shri Rohit Relan, non-executive director of the Company along with his wife and sons, in the National Company Law Tribunal, New Delhi (NCLT) under section 241, 242 read with section 244 of the Companies Act, 2013. No final order has been passed by the NCLT till the date of this report.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, there is no change in the status of subsidiary/ joint ventures/ associate companies. Financial performance of the Associate and Joint Venture Companies are disclosed in the financial statements forming part of this annual report. A statement in form **AOC-1**, containing the salient features of the financial statements of the joint ventures/ associate companies is provided as **Annexure IX.**

RISK ASSESSMENT AND RISK MINIMIZATION PROCEDURE

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

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed;

(b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit and loss of the company for the year ended on that date;

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts have been prepared on a going concern basis;

(e) Internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this annual report.

ACKNOWLEDGEMENT

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

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

Your Directors also extend their appreciation to Yes Bank Limited, IDFC Bank, Citi Bank, CTBC Bank, State Bank of India and various departments of Central and State Government(s).

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

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

	Sharda Relan	Ajay Relan
Date : 17th July, 2017	Director	Managing Director
Place : New Delhi	(DIN:00252181)	(DIN:00257584)

ANNEXURE I

NOMINATION, REMUNERATION AND EVALUATION POLICY

1. INTRODUCTION

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

2. DEFINITIONS

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

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

3. OBJECTIVE AND PURPOSE OF THE POLICY

The objective and purpose of this policy are:

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

4. APPLICABILITY

The Policy is applicable to:

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

3. Senior Management Personnel

ROLE AND RESPONSIBILITY

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

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

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

TERM / TENURE:

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

EVALUATION:

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

REMOVAL:

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

RETIREMENT:

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

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

1. Remuneration to Whole-time / Executive / Managing Director

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

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

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

2. Remuneration to Non-executive / Independent Director

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

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

3. Remuneration to KMP and Senior Management Personnel

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

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

MODIFICATION

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

ANNEXURE II

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR FY 2016-17

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

To,
The Members,
SHARDA MOTOR INDUSTRIES LIMITED
CIN L74899DL1986PLC023202
D-188, Okhla Industrial Area Phase-I,
New Delhi - 110020 India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHARDA MOTOR INDUSTRIES LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;;

  (c) The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not Applicable

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not Applicable

  (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008; - Not Applicable

  (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; - Not Applicable

  (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998; - Not Applicable

(vi) The Company has identified following laws specifically applicable on the Company: -

  1. The Industrial (Development and Regulations) Act, 1951;
  2. The Factories Act, 1948;
  3. Environment (Protection) Act, 1986;
  4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned State Rules;
  5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned State Rules;
  6. Hazardous Wastes (Management and Handling) Rules, 1989;
  7. Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;

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

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

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

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

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

For VKC & Associates
(Company Secretaries)

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

Date : July 17, 2017
Place : Noida

'Annexure A'

To,
The Members,
SHARDA MOTOR INDUSTRIES LIMITED
CIN L74899DL1986PLC023202
Registered Office Address: -
D-188, Okhla Industrial Area Phase-I,
New Delhi - 110020 India.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For V KC & Associates
(Company Secretaries)

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

Date : July 17, 2017
Place : Noida

ANNEXURE III

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

2. **The Composition of the CSR Committee:**
   Members of the committee as on 31st March, 2017 :
   i. Shri Sharda Relan (Chairperson of the Committee)
   ii. Shri Kishan N. Parikh
   iii. Shri Ajay Relan
   iv. Shri Satinder Kumar Lambah

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

   Rs. 3,226.99 Lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**
   Rs. 64.54 Lakhs

5. **Details of CSR spent during the financial year:**
   a) Total Amount to be spent for the financial year: **Rs. 64.54 Lakhs**
   b) Amount unspent: **Rs. 49.54 Lakhs**
   c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent. Direct or through implementing agency**
1	Infrastructure Development of Hindu College	Promoting Education	Local Area, Delhi	15.00 Lakhs	15.00 Lakhs	15.00 Lakhs	Direct

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

   The Company recognizes that it could not spend the entire amount allocated for CSR expenditure. Certainly the reasons for that can be extensive research made by the Company on the different focus areas, identification of the suitable and impactful programs, initiating long term projects which could not be capitalized during the year. However, the scale of CSR activities undertaken by the Company during the financial year has significantly increased. CSR spend of the Company during the year has increased by almost 50% vis a vis last year. Company has set its target for the Coming years and is majorly focusing on Education and Healthcare sector. During the financial year 2016-17, various long term projects and programmes have been commenced by the Company, which could not be completed during the year and some new programmes are in pipeline. As a socially responsible corporate citizen, and with an aim of giving back to the society, the Company is committed to increase its CSR activities in the coming years. Company is increasing the strength of its CSR team so that it can cover a larger area and diversify its CSR operations.

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

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

Ajay Relan
Managing Director
(DIN:00257584)

Sharda Relan
Chairperson of CSR Committee
(DIN:00252181)

ANNEXURE IV

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L74899DL1986PLC023202
ii) Registration Date	29/01/1986
iii) Name of the Company	Sharda Motor Industries Limited
iv) Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v) Address of the Registered office and contact details	D-188, Okhla Industrial Area, Phase - I, New Delhi- 110020 Phone: +91-11-47334100, Fax: +91-11-26811676 Email: investorrelations@shardamotor.com Website: www.shardamotor.com
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent if any	M/s. Alankit Assignments Ltd. Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi - 110055. Phone: 011-42541234, 23541234, Fax: (011) 42541967"

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main Products / Services	NIC code of the Product/ Service	% to Total Turnover of the Company
1	Motor vehicles parts such as suspension, silencer, exhaust pipes	29301	68%
2	Car seats frame and seats cover	29303	29%
3	Others	-	3%
	Total		**100%**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Bharat Seats Limited Reg. off.:- D-188, Okhla Industrial Area, Phase I, New Delhi -110020	L34300DL1986PLC023540	ASSOCIATE	28.66%	2(6)
2	Relan Industrial Finance Limited Reg. off.:- D-188, Okhla Industrial Area, Phase I, New Delhi -110020	U65923DL1987PLC026603	ASSOCIATE	47.12%	2(6)
3	Toyota Boshoku Relan India Private Limited Reg. off.:- D-188, Okhla Industrial Area, Phase I, New Delhi -110020	U34106DL2014PTC266723	ASSOCIATE	50%	2(6)
4	Toyo Sharda India Private Limited Reg. off.:- D-188, Okhla Industrial Area, Phase I, New Delhi -110020	U34100DL2015PTC276049	ASSOCIATE	50%	2(6)

IV. (i) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year i.e.01.04.2016				No. of Shares held at the end of the year i.e 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
Individuals/ Hindu Undivided Family	4456893	0	4456893	74.95	4457885	0	4457885	74.97	0.02
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
Sub Total(A)(1)	**4456893**	**0**	**4456893**	**74.95**	**4457885**	**0**	**4457885**	**74.97**	**0.02**
(2) Foreign									
Individuals (Non- Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	0	0	0	0	0
Any Others	0	0	0	0	0	0	0	0	0
Sub Total(A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**4456893**	**0**	**4456893**	**74.95**	**4457885**	**0**	**4457885**	**74.97**	**0.02**
B. Public shareholding									
(1) Institutions									
Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
Financial Institutions / Banks	0	0	0	0	738	0	783	0.01	0.01
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
Foreign Institutional Investors/ Foreign Portfolio Investors	0	0	0	0	20997	0	20997	0.35	0.35
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	**0**	**0**	**0**	**0**	**21788**	**0**	**21780**	**0.36**	**0.36**
(2) Non-institutions									
Bodies Corporate	277904	1850	279754	4.70	250811	1850	252661	4.25	(0.45)
Individuals									
Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	338380	88106	426486	7.17	480947	76876	557823	9.38	2.21
Individual -ii Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	669955	108300	778255	13.09	576026	74100	650126	10.93	(2.16)
Any Other									
NBFC	2510	0	2510	0.04	0	0	0	0	(0.04)
Clearing Members	0	0	0	0	0	0	0	0	0
NRI	2428	0	2428	0	6051	0	6051	0.10	0.10
Sub-Total (B)(2)	**1291177**	**198256**	**1489433**	**25.05**	**1313835**	**152826**	**1466661**	**24.67**	**(0.38)**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**1291177**	**198256**	**1489433**	**25.05**	**1335615**	**152826**	**1488441**	**25.03**	**(0.02)**
TOTAL (A)+(B)	**5748070**	**198256**	**5946326**	**100.00**	**5793500**	**152826**	**5946326**	**100**	**0**

IV.(ii) SHAREHOLDING OF PROMOTERS

S. N.	Name of the Promoter	Shareholding at the beginning of the year i.e. 01.04.2016			Shareholding at the end of the year i.e 31.03.2017			% Change in Share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Ajay Relan	785378	13.21	0	1933858	32.52	0	19.31
2	Ritu Relan	742520	12.49	0	742520	12.49	0	0
3	Sharda Relan	697520	11.73	0	0	0	0	(11.73)
4	Mala Relan	496260	8.35	0	497252	8.36	0	0.01
5	Narinder Dev Relan*	450960	7.58	0	0	0	0	(7.58)
6	Rohit Relan	428818	7.21	0	428818	7.21	0	0
7	Aashim Relan	300900	5.06	0	300900	5.06	0	0
8	Rishabh Relan	158500	2.67	0	158500	2.67	0	0
9	Pranav Relan	128950	2.17	0	128950	2.17	0	0
10	Ayush Relan	104000	1.75	0	104000	1.75	0	0
11	Rohit Relan (Huf)	44400	0.75	0	44400	0.75	0	0
12	Narinder Dev Relan (Huf)	30000	0.50	0	30000	0.50	0	0
13	Ajay Relan (Huf)	19200	0.32	0	19200	0.32	0	0
14	Aashita Relan	5450	0.09	0	16450	0.28	0	0.19
15	Ram Prakash Chowdhry	600	0.01	0	600	0.01	0	0
16	Indira Chowdhry	63437	1.07	0	52437	0.88	0	(0.19)
	TOTAL	**4456893**	**74.95**	**0**	**4457885**	**74.97**	**0**	0.01

* Ceased to be a promoter w.e.f. 2nd June, 2016

IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.	Name of the Promoter	Shareholding at the beginnning of the year (01/04/2016) / end of the year (31/03/2017)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cummulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	Ajay Relan (HUF)	19200	0.32	1-Apr-16	0	No Transaction		
		19200	0.32	31-Mar-17			19200	0.32
2	Narinder Dev Relan (HUF)	30000	0.50	1-Apr-16	0	No Transaction		
		30000	0.50	31-Mar-17			30000	0.50
3	Rohit Relan (HUF)	44400	0.75	1-Apr-16	0	No Transaction		
		44400	0.75	31-Mar-17			44400	0.75
4	Ram Prakash Chowdhry	600	0.01	1-Apr-16	0	No Transaction		
		600	0.01	31-Mar-17			600	0.01
5	Rohit Relan	428818	7.21	1-Apr-16	0	No Transaction		
		428818	7.21	31-Mar-17			428818	7.21
6	Ritu Relan	742520	12.49	1-Apr-16	0	No Transaction		
		742520	12.49	31-Mar-17			742520	12.49
7	Pranav Relan	128950	2.17	1-Apr-16	0	No Transaction		
		128950	2.17	31-Mar-17			128950	2.17
8	Ayush Relan	104000	1.75	1-Apr-16	0	No Transaction		
		104000	1.75	31-Mar-17			104000	1.75
9	Rishabh Relan	158500	2.67	1-Apr-16	0	No Transaction		
		158500	2.67	31-Mar-16			158500	2.67

10	Ajay Relan	785378	13.21	1-Apr-16	0	No Transaction		
				24-June-16	1148480	Gift	1933858	32.52
		1933858	32.52	31-Mar-17			1933858	32.52
11	Mala Relan	496260	8.35	1-Apr-16				
				30-Dec-16	73	Purchase	496333	8.35
				06-Jan-17	81	Purchase	496414	8.35
				13-Jan-17	838	Purchase	497252	8.36
		497252	9.36	31-Mar-17			497252	8.36
12	Aashim Relan	300900	5.06	1-Apr-16	0	No Transaction		
		300900	5.06	31-Mar-17			300900	5.06
13	Aashita Relan	5450	0.09	1-Apr-16				
				14-Feb-17	11000	Gift	16450	0.28
		16450		31-Mar-17			16450	0.28
14	Narinder Dev Relan*	450960	7.58	1-Apr-16				
				17-Jun-16	450960	Transmission Deceased	NIL	0.00
		Nil	0.00	31-Mar-17			NIL	0.00
15	Sharda Relan	697520	11.73	1-Apr-16				
				17-Jun-16	450960	Transmission	1148480	19.31
				24-June-16	(1148480)	Gift	NIL	0.00
		NIIL	0.00	31-Mar-17			NIL	0.00
16	Indira Chowdhry	63437	1.07	1-Apr-16				
				10-Feb-17	(11000)	Gift	52437	0.88
		52437	0.88	31-Mar-17			52437	0.88

*Ceased to be a promoter w.e.f. 2nd June, 2016, due to his sad demise

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

IV (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2016) / end of the year (31/03/2017)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	VINOD KANTILAL SHAH	69620	1.1708	01-Apr-16				
				17-Mar-17	Decrease	Sale	9620	0.0016
		60000	1.0090	31-Mar-17			60000	1.0090
2	BANG SECURITIES PVT.LTD.	63443	1.0669	01-Apr-16				
				16-Dec-16	Decrease	Sale	44	0.0024
				23-Dec-16	Decrease	Sale	644	0.0108
				06-Jan-17	Decrease	Sale	6727	0.1131
				10-Feb-17	Decrease	Sale	598	0.0101
				17-Feb-17	Decrease	Sale	3229	0.0543
				17-Feb-17	Decrease	Sale	30953	0.5205
		21148	0.3556	31-Mar-17			21148	0.3556

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2016) / end of the year (31/03/2017)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
3	BRAHAM ARENJA	60000	1.0090	01-Apr-16		No Transaction		
		60000	1.0090	31-Mar-17			60000	1.0090
4	VANDANA CHANNA	56100	0.9434	01-Apr-16				
				25-Nov-16	Increase	Purchase	200	0.0033
		56300	0.9467	31-Mar-17			56300	0.9467
5	VIJAY AGGARWAL	55000	0.9249	01-Apr-16				
				26-Aug-16	Decrease	Sale	20000	0.3363
				02-Sep-16	Decrease	Sale	13000	0.2186
				09-Sep-16	Decrease	Sale	22000	0.3699
		NIL	NIL	31-Mar-17			NIL	NIL
6	VIJAY AGGARWAL	5000	0.8408	01-Apr-16		No Transaction		
		50000	0.8408	31-Mar-17			50000	0.8408
7	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD	50000	0.8408	01-Apr-16		No Transaction		
		50000	0.8408	31-Mar-17			50000	0.8408
8	ANKITA CHANNA	50000	0.8408	01-Apr-16		No Transaction		
		50000	0.8408	31-Mar-17			50000	0.8408
9	NILAM KUMARI KAPUR	49033	0.8246	01-Apr-16				
				08-Apr-16	Decrease	Sale	100	0.0017
				15-Apr-16	Decrease	Sale	890	0.0150
				22-Apr-16	Increase	Purchase	10000	0.1682
				22-Apr-16	Decrease	Sale	9650	0.1623
				29-Apr-16	Decrease	Sale	275	0.0046
				06-May-16	Decrease	Sale	200	0.0034
				13-May-16	Decrease	Sale	1013	0.0170
				20-May-16	Decrease	Sale	2427	0.0408
				27-May-16	Decrease	Sale	1272	0.0214
				03-Jun-16	Decrease	Sale	1016	0.0171
				10-Jun-16	Decrease	Sale	767	0.0129
				24-Jun-16	Decrease	Sale	1233	0.0207
				30-Jun-16	Increase	Purchase	12000	0.2018
				30-Jun-16	Decrease	Sale	10455	0.1758
				08-Jul-16	Decrease	Sale	6027	0.1014
				15-Jul-16	Decrease	Sale	220	0.0037
				22-Jul-16	Decrease	Sale	140	0.0024
				29-Jul-16	Decrease	Sale	444	0.0075
				05-Aug-16	Decrease	Sale	320	0.0054
				12-Aug-16	Decrease	Sale	825	0.0139

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2016) / end of the year (31/03/2017)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
				19-Aug-16	Decrease	Sale	100	0.0017
				26-Aug-16	Decrease	Sale	180	0.0030
				02-Sep-16	Decrease	Sale	100	0.0017
				09-Sep-16	Decrease	Sale	280	0.0047
				23-Sep-16	Decrease	Sale	127	0.0021
				03-Mar-17	Decrease	Sale	200	0.0034
				24-Mar-17	Decrease	Sale	200	0.0034
		28782	0.4840	31-Mar-17			28782	0.4840
10	USHA CHANNA	40907	0.6879	01-Apr-16				
				06-May-16	Decrease	Sale	200	0.3363
				13-May-16	Decrease	Sale	745	1.2529
				22-Jul-16	Decrease	Sale	200	0.3363
				28-Oct-16	Decrease	Sale	500	0.8409
				04-Nov-16	Decrease	Sale	200	0.3363
				13-Jan-17	Decrease	Sale	341	0.5735
				20-Jan-17	Decrease	Sale	457	0.7685
				27-Jan-17	Decrease	Sale	102	0.1715
				10-Feb-17	Increase	Purchase	200	0.3363
				10-Feb-17	Decrease	Sale	1200	2.0181
				03-Mar-17	Decrease	Sale	1500	2.5226
				10-Mar-17	Decrease	Sale	900	1.5135
				24-Mar-17	Decrease	Sale	800	1.3454
				31-Mar-17	Decrease	Sale	500	0.8409
		33462	0.5627	31-Mar-17			33462	0.5627
11	RAJIV TANDON	29000	0.4638	01-Apr-16		No Transaction		
		29000	0.4638	31-Mar-17			29000	0.4638
12	MUKESH AMRITLAL MOTASHA HUF	27581	0.4638	01-Apr-16				
				29-Jul-16	Decrease	Sale	581	0.0098
				05-Aug-16	Decrease	Sale	1550	0.0261
				12-Aug-16	Decrease	Sale	4477	0.0753
				19-Aug-16	Decrease	Sale	300	0.0050
				26-Aug-16	Decrease	Sale	704	0.0118
				02-Sep-16	Increase	Purchase	90	0.0015
				09-Sep-16	Increase	Purchase	602	0.0101
				28-Oct-16	Decrease	Sale	2051	0.0345
				04-Nov-16	Decrease	Sale	777	0.0131
				11-Nov-16	Decrease	Sale	232	0.0039
				13-Jan-17	Decrease	Sale	613	0.0103
				20-Jan-17	Increase	Purchase	2026	0.0341

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2016) / end of the year (31/03/2017)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
				03-Feb-17	Decrease	Sale	1535	0.0258
				10-Feb-17	Decrease	Sale	650	0.0109
				17-Feb-17	Decrease	Sale	1284	0.0216
				24-Feb-17	Decrease	Sale	622	0.0105
				03-Mar-17	Decrease	Sale	9585	0.1612
				10-Mar-17	Decrease	Sale	1158	0.0195
				17-Mar-17	Decrease	Sale	2133	0.0359
				24-Mar-17	Increase	Purchase	2953	0.0497
				31-Mar-17	Decrease	Sale	1546	0.0260
		3454	0.0580				3454	0.0580
13	AUCHLITE CHEMICAL PRIVATE LIMITED	26500	0.4456	01-Apr-16		No Transaction		
		26500	0.4456	31-Mar-17			26500	0.4456

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

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

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (01/04/2016) / end of the year (31/03/2017)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cummulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reasons	No. of shares	% of total share capital
1	Shri Kishan N Parikh	150	0.00	1-Apr-16		No Transaction		
		150	0.00	31-Mar-17			150	0.00
2	Shri N. D. Relan*	450960	7.58	1-Apr-16				
				2-Jun-16	(450960)	Deceased	NIL	0.00
		NIL	0.00	31-Mar-17			NIL	0.00
3	Shri Ajay Relan	785378	13.21	1-Apr-16				
				24-Jun-16	1148480	Gift	1933858	32.52
		1933858	32.52	31-Mar-17			1933858	32.52
4	Smt. Sharda Relan	697520	11.73	1-Apr-16				
				17-Jun-16	450960	Transmission	1148480	19.31
				24-Jun-16	(1148480)	Gift	NIL	0.00
		Nil	0.00	31-Mar-17			Nil	0.00
5	Shri Rohit Relan	428818	7.21	1-Apr-16		No Transaction		
		428818	7.21	31-Mar-17			428818	7.21
6	Shri R. P. Chowdhry	600	0.01	1-Apr-16		No Transaction		
		600	0.01	31-Mar-17			600	0.01

8	Shri Satinder Kumar Lambah	-	-	1-Apr-16		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-17			-	-
9	Prof. Ashok Kumar Bhattacharya	-	-	1-Apr-16		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-17			-	-
10	Shri Bireswar Mitra	400	0.01	1-Apr-16				
				13-May-16	25	Purchase	425	0.01
				3-Jun-16	25	Purchase	450	0.01
				10-Jun-16	30	Purchas	480	0.01
				25-Nov-16	10	Purchase	490	0.01
				16-Dec-16	10	Purchase	500	0.01
				23-Dec-16	10	Purchase	510	0.01
				31-Dec-16	10	Purchase	520	0.01
		520	0.01	31-Mar-17			520	0.01
11	Shri Pradeep Rastogi**	-	-	1-Apr-16		Nil holding / movement during the year	-	-
		-	-	31-Mar-17			-	-
12	Shri Vivek Bhatia^	-	-	10-Aug-16		Nil holding / movement during the year		
		-	-	31-Mar-17				
13	Shri Nitin Vishnoi	1000	0.02	1-Apr-16		No Transaction		
		1000	0.02	31-Mar-17			1000	0.02

Note: As per the data received from RTA according to date of beneficiary position
*Ceased to be a director w.e.f. 2nd June, 2016, due to his said demise
** Ceased to be a CFO w.e.f.10th August, 2016
^ Appointed as CFO w.e.f. 10th August, 2016

V. INDEBTEDNESS

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,715.84	4,397.54	-	12,113.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	49.22	52.02	-	101.24
Total (i+ii+iii)	**7,765.06**	**4,449.56**	**-**	**12,214.62**
Change in Indebtedness during the financial year*				
Addition	-	150.25	-	150.25
Reduction	(4,788.80)	(1,474.19)	-	(6,262.99)
Net Change	**(4,788.80)**	**(1,323.94)**	**-**	**(6,112.74)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,950.21	3,105.04	-	6,055.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	26.05	20.58	-	46.63
Total (i+ii+iii)	**2,976.26**	**3,125.62**	**-**	**6,101.88**

* Includes revaluation effect on foreign currency borrowings

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		N.D. Relan*	Ajay Relan	Sharda Relan**	Bireswar Mitra	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	76.05	336.63	213.10	16.77	642.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.42	11.38	7.71	0.22	21.73
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission - as % of profit	-	-	-	-	
	- others, specify…	-	-	-	-	
5	Others					
	Provident Fund	4.34	24.12	15.96	1.43	45.85
	Total (A)	**82.81**	**372.13**	**236.77**	**18.42**	**710.13**
	Ceiling as per the Act#					819.69

Being 10% of Net profits of the Company calculated as per section 198 of the Companies Act, 2013.

* Remuneration paid to Shri N.D. Relan is in accordance with Central Government approval. Shri N.D. Relan ceased to be director w.e.f. 2nd June, 2016 due to his said demise.

** Appointed as whole time director with effect from 10th August, 2016.

B. Remuneration to other directors: (Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name Of Directors						Total Amount
		Rohit Relan	Sharda* Relan	R.P. Chowdhry	S.K. Lambah	Kishan N Parikh	A.K. Bhattacharya	
1.	Independent Directors							
	- Fee for attending board committee meetings				4.20	3.40	2.40	10.00
	· Commission				-	-	-	-
	· Others, please specify							-
	Total (1)				**4.20**	**3.40**	**2.40**	**10.00**
2.	Other Non-Executive Directors							-
	· Fee for attending board committee meetings	0.40	0.80	2.40				3.60
	· Commission							-
	· Others, please specify							-
	Total (2)	**0.40**	**0.80**	**2.40**				**3.60**
	Total (B)=(1+2)	**0.40**	**0.80**	**2.40**	**4.20**	**3.40**	**2.40**	**13.60**
	Total Managerial Remuneration (A)+(B)							**677.88**
	Overall Ceiling as per the Act	Being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013						901.66

* Appointed as whole time director w.e.f. 10th August, 2016

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Company Secretary	CFO*		
		Nitin Vishnoi	Pradeep Rastogi	Vivek Bhatia	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.14	8.60	56.33	81.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	0.25	0.25
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others				
	Provident Fund	1.01	0.64	2.28	3.93
	Total (A)	**17.15**	**9.24**	**58.86**	**85.25**
	Ceiling as per the Act	N.A	N.A	N.A	N.A

***CFO:**
Pradeep Rastogi - upto 10th August, 2016
Vivek Bhatia - w.e.f. 10th August, 2016

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties/punishments/ compounding of offences for the year ending 31st March, 2017.

ANNEXURE V

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

Requirements of Rule 5(1)		Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;		(i) Shri Kishan N Parikh - NA (ii) Shri N. D. Relan – NA* (iii) Shri Ajay Relan – 1:118 (iv) Smt. Sharda Relan – NA** (v) Shri Rohit Relan – NA (vi) Shri R. P. Chowdhry - NA (vii) Shri Satinder Kumar Lambah-NA (viii) Prof. A.K. Bhattacharya – NA (ix) Shri Bireswar Mitra – 1:7 *Ceased to be a director w.e.f. 02nd June, 2016 due to his sad demise **Appointed w.e.f. 10th August, 2016
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;		Directors : (i) Shri Kishan N Parikh - NA (ii) Shri N. D. Relan - NA* (iii) Shri Ajay Relan - 52% (iv) Smt. Sharda Relan - NA** (v) Shri Rohit Relan - NA (vi) Shri R. P. Chowdhry - NA (vii) Shri Satinder Kumar Lambah-NA (viii) Prof. A.K. Bhattacharya - NA (ix) Shri Bireswar Mitra - 5% Key Managerial Personnel (i) CFO - NA (ii) Company Secretary - 8% *Ceased to be a director w.e.f. 02nd June, 2016 due to his sad demise **Appointed w.e.f. 10th August, 2016
(iii) the percentage increase in the median remuneration of employees in the financial year;		12%
(iv) the number of permanent employees on the rolls of company;		1165 employees as on 31st March, 2017
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;		Average Salary increase of non-managerial personnel is 12% Average Salary increase of managerial personnel is 22%
(vi) affirmation that the remuneration is as per the remuneration policy of the company		Remuneration paid during the year ended 31st March, 2017 is as per the Remuneration Policy of the Company

General Note:

1. For the purpose of above calculation, Company has taken the comparable employees who were in the employment during the year under review and the previous year 2015-16 and have excluded the employees not eligible for increment.
2. Remuneration paid to Shri Ajay Relan in the previous year was as per the Central Government approval, however during the F.Y. 2016-17, there was adequecy of profits in the company, so the remuneration was paid as per Section 197, 198 of the Companies Act, 2013.

ANNEXURE VI

Particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

A. Employed throughout the year ended 31st March, 2017:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age	Last employment held
Shri Ajay Relan	Managing Director	396.73	B.Com (Hons.) OPM From ,Harvard Business School USA 33 years	01.09.1986	54 years	N.A.
SH Lee	CEO - MWC Plant	81.16	Mechanical Engg. 31 years	07-10-2010	52 years	LG Metals
Sanjiv Kumar Yogi	President - Purchase & SCM	68.80	MBA, M.Tech. 22 years	14-08-2015	44 years	India Yamaha Motor Pvt. Ltd.
Abinash Upadhyay	Chief Peoples Officer	64.00	Post Graduate Diploma in PM 24 years	21-03-2016	49 years	Apollo Tyre Ltd.
Sitangshu Goswami	President Sales & Strategy	60.00	DME 30 years	03-02-2016	51 years	Magna Steyr
Aashim Relan	COO	48.93	Graduate in Economics major from "Emory University, Atlanta (U.S.A) 5 years	28.06.2012	26 years	N.A.
Atul Sheth	COO-Western Region	47.16	Post Graduate Diploma in Automobile Engg. 33 years	15-04-2013	55 years	Lear Corporation

B. Employed for part of the year ended 31st March, 2017:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age	Last employment held
N D Relan*	Co-Chairperson	62.39	B.Com 63 years	01.07.2003	87 years	Chairman, Bharat Seats Limited
Sharda** Relan	Co-Chairperson	256.66	Graduate 50 years	10.08.2016	81 years	N.A.
Vivek Bhatia	President & CFO	74.13	CA & CS 26 years	01.07.2016	49 years	Jamna Auto Limited

* Ceased to be a director w.e.f. 02nd June, 2016 due to his sad demise
** Appointed as executive director w.e.f. 10th August, 2016.

Notes:

1. The terms 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
2. The nature of employment of Shri N.D. Relan, Shri Ajay Relan, Shri SH Lee and Smt. Sharda Relan is contractual, for the rest of the employees, it is other than contractual.
3. Shri Ajay Relan and Shri Rohit Relan are sons of Late Shri N. D. Relan & Smt. Sharda Relan. Smt. Sharda Relan is spouse of Late Shri N. D. Relan. Shri Aashim Relan, is the son of Shri Ajay Relan.
4. Except Shri Ajay Relan and Shri Aashim Relan, who are holding 41.21% and 5.06% equity shares of the Company respectively, none of the above employees holds more than 2% of the equity share capital of the Company as on 31st March, 2017 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

ANNEXURE VII

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

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

A. CONSERVATION OF ENERGY:

(i) The steps taken by the company for conservation of energy or impact on conservation of energy

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

- Spreading awareness among the employees to develop good habits of energy conservation;
- Pasting necessary notices, pamphlets in premises for effective use of resources;
- Auto timer provided to turn off machine lights and fan, Blower power and Cooling tower pump motor at break hours;
- Variable frequency drives (VFD) Installation for the Power presses;
- Auto Stop Timers have been installed in the machines in case of idle time;
- Constant monitoring of energy consumption of all Manufacturing Units and corrective actions for optimum Utilization;
- HPMV 250w lights replaced with 150w LED lights.

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

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

(iii) The capital investment on energy conservation equipments :

Company has not made any capital investment during the year.

B. TECHNOLOGICAL ABSORPTION:

(i) The efforts made towards technology absorption;

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

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

- Import substitution and less dependence on technical collaborators;
- Product line extension;
- Improving fuel economy and consequent reduction in CO2;
- Improvement in core competencies;
- Significant improvement in meeting demand of end user;

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

No Technology has been imported during the last three years

(iv) The expenditure incurred on Research and Development

- Capital Expenditure – Rs. 217.47 Lakhs
- Revenue Expenditure – Rs. 986.33 Lakhs

C. FOREIGN EXHANGE EARNINGS AND OUTGO

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

The information is reported under suitable heading in the 'Notes to Financial Statement' forming part of the Annual Report of the Company for the year 2016-17.

ANNEXURE VIII

AOC – 2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2017, which were not at arm's length basis.

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

Name(s) of the related party and nature of relationship	**Bharat Seats Limited, Associate Company**	**Relan Industrial Finance Limited, Associate Company**
Nature of contracts/ arrangements/ transactions	Sale, Purchase or supply of goods, materials and selling or otherwise disposing off or buying property of any kind and tools/ job charges.	To avail stock broking services for investing the funds of the Company in capital market like shares, debentures, mutual funds (liquid, cash etc.) or any other financial instruments.
Duration of the contracts / arrangements / transactions	Perpetual and ongoing in nature	Recurring, whenever, it will be in the best interest of the Company
Salient terms of the contracts or arrangements or transactions including the value, if any	Upto a maximum of Rs. 600 crores per annum for sale, purchase or supply of goods, materials and Rs. 150 crores per annum for selling or otherwise disposing off or buying property of any kind and tools/ job charges.	Surplus funds invested through Relan Industrial Finance Limited shall be subject to a maximum limit of Rs. 50 Crores per transaction, However remaining outstanding amount at any point of time shall not exceed Rs. 300 Crores during any financial year.
Date(s) of approval by the Board, if any	Since the transaction entered into, is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on 27th May, 2016 as per SEBI (LODR) Regulations, 2015.	Since the transaction entered into, is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on 27th May, 2016 as per SEBI (LODR) Regulations, 2015.
Amount paid as advances, if any:	Nil	Nil

For and on behalf of the Board of Directors

Date : 17th July, 2017
Place : New Delhi

Sharda Relan
Director
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

Annexure - IX

FORM AOC-1

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

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

Part "A": Subsidiaries

The Company does not have/had any subsidiary company.

Part "B": Associates and Joint Ventures

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

(Currency: Rs. in Lakhs except otherwise specified)

Name of associates/Joint Ventures	Bharat Seats Limited	Relan Industrial Finance Limited	Toyota Boshoku Relan India Private Limited	Toyo Sharda India Private Limited
1. Latest audited Balance Sheet Date	31st March, 2017	31st March, 2016	31st March, 2016	31st March, 2016
2. Date on which the Associate and Joint Venture was associated or acquired	17th October, 1988	15th November, 1993	21st March, 2014	28th January, 2015
3. Shares of Associate/Joint Ventures held by the company on the year end				
No. (in no.)	90,00,000	4,90,000	5,000	7,50,000
Amount of Investment in Associates/ Joint Venture	90.00	49.00	0.50	75.00
Extend of Holding (in percentage)	28.66%	47.12%	50%	50%
4. Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding
5. Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	1,678.71	214.44	(32.40)	62.68
7. Profit/Loss for the year				
i. Considered in Consolidation	345.21	25.09*	24.33*	96.25*
ii. Not Considered in Consolidation	859.32	28.15*	24.33*	96.25*

*Profit (Loss) figures of associates/ Joint Ventures are unaudited figures for the financial year ended 31st March, 2017.

Notes

1. There are no associates or joint ventures which are yet to commence operations.
2. None of the associates or joint ventures have been liquidated or sold during the year.

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

Kishan N. Parikh Chairperson DIN:00453209	**Sharda Relan** Co-Chairperson DIN:00252181	**Ajay Relan** Managing Director DIN:00257584
Vivek Bhatia President & CFO M. No. 89846	**Pradeep Rastogi** President (Legal & Strategic Solutions)	**Nitin Vishnoi** Company Secretary M. No. F3632

Date : 17th July, 2017
Place : New Delhi

REPORT ON CORPORATE GOVERNANCE

In line with the requirements of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), your directors are pleased to present the Company's annual report on Corporate Governance for the year ended 31st March, 2017, in the prescribed format and forming part of the Board Report:

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

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

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

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

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

2. BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. As on 31st March, 2017, the Board of Directors of the Company consist of eight directors headed by Shri Kishan N Parikh, Non-Executive/ Independent Director. The composition of the Board is in conformity with Listing Regulations, which stipulates that at least one third of the Board should comprise of Independent Directors if the Chairperson is a Non-Executive Director. All Non-Executive Independent Directors are also persons of eminence and bring a wide range of expertise and experience to the Board.

The Board met four (4) times during the financial year 2016-17 on 27th May, 2016, 10th August, 2016, 14th November, 2016 and 2nd February, 2017. The maximum gap between any two meetings did not exceed 120 days.

In addition to the above, a separate meeting of Independent Directors was held on 2nd February, 2017 to discuss the matters as prescribed under Listing Regulations and the Companies Act, 2013.

The composition and category of directors, their attendance at the Board meetings held during the year ended 31st March, 2017 and at the last Annual General Meeting, number of other directorships and membership/chairpersonships of committees etc. are tabulated hereunder:

S. No.	Name of the Director (DIN) (Designation)	Category	No. of Board Meeting held during tenure	No. of Board Meeting attended	Attendance at last AGM held on 7th September, 2016	Directorship of other public companies*		Committee position held in other public Companies#		Shareholding in the Company
						Chairperson	Director	Chairperson	Member**	
1.	Shri Kishan N Parikh (00453209) (Chairperson)	Independent/ Non-executive Director	4	4	YES	0	3	0	2	150
2.	Shri Satinder Kumar Lambah (07425155) (Director)	Independent/ Non-executive Director	4	4	NO.	0	0	0	0	Nil
3.	Prof. Ashok Kumar Bhattacharya (02804551) (Director)	Independent/ Non-executive Director	4	4	NO	0	0	0	0	Nil

4.	Shri N. D. Relan ^ (00240280) (Co-chairperson)	Non-Independent/ Executive Director	1	0	N.A.	3	3	0	3	NIL
5.	Shri Ajay Relan (00257584) (Managing Director & CEO)	Non-Independent/ Executive Director	4	4	YES	0	2	0	0	19,33,858
6.	Smt. Sharda Relan@ (00252181) (Director)	Executive Director	4	1	YES	1	2	0	0	NIL
7.	Shri Rohit Relan (00257572) (Director)	Non-Independent/ Non-executive Director	4	1	YES	1	2	0	0	4,28,818
8.	Shri R.P. Chowdhry (00337775) (Director)	Non-Independent/ Non-executive Director	4	3	YES	0	0	0	0	600
9.	Shri Bireswar Mitra (06958002) (Director)	Non-Independent/ executive Director	4	1	YES	0	0	0	0	520

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

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

****membership includes chairpersonship.***

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

^ Ceased to be a director w.e.f. 02nd June, 2016 due to his sad demise.

@ Appointed as executive director w.e.f. 10th August, 2016.

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

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

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

3. AUDIT COMMITTEE

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

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

The proceedings and minutes of the Committee meetings are regularly placed before the Board. Chairperson of the Committee was present at the last Annual General Meeting held on 07th September, 2016 to address the members of the company.

The Managing Director, CFO and representative of Statutory Auditors are the permanent invitees to the Audit Committee meetings. The Company Secretary of the Company acts as the secretary of the Committee.

During the year ended 31st March, 2017, the Audit Committee meetings were held on 27th May, 2016, 10th August, 2016, 14th November, 2016 and 2nd February, 2017.

The Composition and attendance of Members at the meeting held during the financial year 2016-17 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent, Non-Executive	Chairperson	4	4
Smt. Sharda Relan*	Executive	Member	4	1
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	4	4

* Appointed as executive director w.e.f. 10th August, 2016

4. NOMINATION AND REMUNERATION COMMITTEE

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

During the year under review, Nomination and Remuneration Committee met three times on 27th May, 2016, 10th August, 2016 and 14th November, 2016.

The Composition and attendance of Members at the meeting held during the financial year 2016-17 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Satinder Kumar Lambah	Independent, Non-Executive	Chairperson	3	3
Shri Kishan N Parikh	Independent, Non-Executive	Member	3	3
Shri A.K. Bhattacharya	Independent, Non-Executive	Member	3	3
Shri R.P. Chowdhry	Non-Independent, Non-Executive	Member	3	2

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

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

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

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

The Non-Executive Directors are paid sitting fees and commission in certain cases in accordance with the provisions of Companies Act, 2013, criteria for making the payment to Non-Executive Directors is disclosed in the Remuneration policy.

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

EXECUTIVE DIRECTORS (Rs. in Lakhs)

Name of Director	Salary	Perks	Performance Incentive	Total
Shri N. D. Relan*	36.17	26.23	Nil	**62.40**
Smt Sharda Relan**	132.99	23.67	100	**256.66**
Shri Ajay Relan	201.00	50.73	145	**396.73**
Shri B Mitra	16.60	6.13	Nil	**22.73**
Total	**386.76**	**106.76**	245	**738.52**

* Ceased to be a director w.e.f. 2nd June, 2016 due to his sad demise. Remuneration paid to Shri N.D. Relan is in accordance with the Central Government approval.

** Appointed as whole time director (i.e. executive director) w.e.f. 10th August, 2016.

NON-EXECUTIVE DIRECTORS (Rs. in Lakhs)

Name of Director	Sitting fee
Smt. Sharda Relan*	0.80
Shri Rohit Relan	0.40
Shri R. P. Chowdhry	2.40
Shri Kishan N Parikh	3.40
Prof. Ashok Kumar Bhattacharya	2.40
Shri Satinder Kumar Lambah	4.20
TOTAL	**13.60**

* Non-Executive Director upto 10th August, 2016

Notes:

1. The tenure of executive directors of the Company is 5 years from the date of their appointment;
2. At present the Company does not have any Employee Stock Option Scheme;
3. Notice period is three calendar months or lesser notice in writing as may be agreed mutually;
4. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors;
5. No commission was paid to non-executive directors during the year;
6. Performance incentive is paid to executive directors based on their individual goals related to production, sales and company targets like profit, revenue from operations and such other criteria;
7. There has been no pecuniary relationship or business transaction by the Company with any Independent Non-Executive Director, other than (i) the sitting fee for attending the Board/Committee meetings (ii) the payment of dividend on the Equity Shares held by them in the Company.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee periodically reviews the status of shareholders' grievances and redressal of the same. The Committee met four times in 2016-17 on 27th May, 2016, 10th August, 2016, 11th November, 2016 and 2nd February, 2017. The necessary quorum was present for all the meetings. The Chairperson of the Committee was present at the last Annual General Meeting of the Company held on 7th September, 2016.

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

- Issue of Duplicate Share Certificates;
- Issues pertaining to non-receipt of Annual Report, dividend, Share Certificates and transfer / transmission of Shares etc.;
- Expeditious redressal of investors grievances;
- Requests of the Shareholders for splitting/ consolidation/ renewal of Certificate as may be referred by the Share Transfer Committee.

The composition of the Committee and their attendance at the Committee meeting held during the year ended 31st March, 2017 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri R. P. Chowdhry	Non-Independent, Non-Executive	Chairperson	4	4
Smt. Sharda Relan*	Executive	Member	4	2
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	4	4

*Appointed as Executive Director w.e.f. 10th August, 2016

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

During the year ended 31st March, 2017, status of investor grievance is tabulated hereunder:

PARTICULAR		Numbers
Complaint pending as on 1st April, 2016	:	NIL
Complaints received during the financial year 2016-17	:	1
Complaints disposed off up to the satisfaction of share holder during the financial year 2016-17	:	1
Complaints pending as on 31st March, 2017	:	NIL

The Company has acted upon all valid requests for issue of duplicate Share Certificates, share transfer/transmission received during the year under report and no such issue of duplicate Share Certificates; transfer/transmission is pending as on 31st March, 2017.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

During the year the CSR Committee was reconstituted due to the sad demise of Shri N.D. Relan. Smt. Sharda Relan was elected as Chairperson of the Committee and Shri Ajay Relan and Shri Satinder Kumar Lambah were inducted as new Committee members.

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

During the Financial Year 2016-17, CSR Committee met once on 2nd February, 2017. The attendance at the Committee meeting held during the year ended 31st March, 2017, are as under:

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

* Ceased to be member/ chairperson w.e.f. 2nd June, 2016.
# Appointed as chairperson w.e.f. 10th August, 2016
^ Appointed as member w.e.f. 10th August, 2016

The Corporate Social Responsibility Report for the year ended 31st March, 2017 is annexed to the Director's Report.

7. GENERAL BODY MEETINGS

A. Annual General Meeting

AGM No.	Year	Venue	Date	Time	No. of Special Resolutions
31st	2015-16	PHD Chamber of Commerce, New Delhi	07.09.2016	11:30 am	Two
30th	2014-15	India Habitat Centre, New Delhi	26.08.2015	12:30 pm	One
29th	2013-14	India Habitat Centre, New Delhi	03.09.2014	12:30 pm	Four

B. Extraordinary General Meetings

No Extraordinary General Meetings held during the year under review.

C. Resolutions Passed through Postal Ballot

During the financial year 2016-2017, two Postal Ballot processes were completed as per the provisions of Section 110 of the Companies Act, 2013.

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

Voting Pattern and Procedure for Postal Ballot

1. The Company issued the postal ballot notice/ e-voting dated 7th March, 2016 containing draft resolutions together with explanatory statements, the postal ballot forms and self-addressed business reply envelopes to the members whose names appear in the register of members as on 18th March, 2016.
2. Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before 21st April, 2016 (05:00 PM IST). Members voting through electronic mode were requested to follow the instructions for e-voting. Voting period for both physical and e-voting started from 23rd March, 2016 to 21st April, 2016.
3. Mr. Vineet K Chaudhary, Practicing Company Secretary (FCS No. 5327) was appointed as Scrutinizer for conducting the postal ballot and e- voting process in a fair and transparent manner.
4. After proper scrutiny of the postal ballot forms/e-voting received upto 21st April, 2016 (05:00 PM IST), scrutinizer submitted his final report on 22nd April, 2016.
5. The result of the Postal Ballot/ e-voting was declared on 22nd April, 2016.

6. The result of the postal ballot/ e-voting was published in the newspapers within 48 hours of the declaration of the results and was also placed at the website of the Company www.shardamotor.com and submitted to stock exchange where company's shares are listed.

Results:

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

B. Company has passed a resolution by way of postal ballot as on 6th January, 2017 for taking approval of the members of the company for revision in remuneration of Shri Aashim Relan, a related party

Voting Pattern and Procedure for Postal Ballot

1. The Company dispatches the postal ballot notice/ e-voting dated 14th November, 2016 containing draft resolutions together with explanatory statements, the postal ballot forms and self-addressed business reply envelopes to the members whose names appear in the register of members as on 2nd December, 2016.
2. Members were advised to carefully read the instructions printed on the postal ballot form before casting their vote and return the duly completed form in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before 6th January, 2017 (05:00 PM IST). Members voting through electronic mode were requested to follow the instructions for e-voting. Voting period for both physical and e-voting started from 8th December, 2016 to 6th January, 2017.
3. Mr. Vineet K Chaudhary, Practicing Company Secretary (FCS No. 5327) was appointed as Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.
4. After proper scrutiny of the postal ballot forms/ e-voting received upto 6th January, 2017 (05:00 P.M. IST), scrutinizer submitted his final report on 7th January, 2017.
5. The result of the Postal Ballot/ e-voting was declared on 7th January, 2017.
6. The result of the postal ballot/ e-voting was published in the newspapers within 48 hours of the declaration of the results and was also placed at the website of the Company www.shardamotor.com and submitted to stock exchange where company's shares are listed.

Results:

Details of the Resolution Special/ Ordinary Resolution	No. of valid votes cast	Votes cast in favour of the resolution		Votes cast against the resolution	
		No.	%	No.	%
To approve the revision in remuneration of Shri Aashim Relan, a related party	4,22,056	4,21,027	99.76	1029	0.24

8. DISCLOSURES

(a) The Board has received disclosures from Senior Management relating to material financial and commercial transactions where they and/or their relatives have personal interest. The particulars of transactions between the Company and its related parties as per the Accounting Standards 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statements in the Annual Report. There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. Company has in place a policy for dealing with related party transactions, which is also on the website of the Company www.shardamotor.com.

(b) Smt. Sharda Relan and Shri R. P. Chowdhry will retire by rotation and being eligible; offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

All the above re-appointments are subject to the approval of members of the Company in the ensuing Annual General Meeting. A brief resume along with information required as per applicable laws of the above Directors recommended for re-appointments at the AGM are furnished in the Notice of the Annual General Meeting of the Company.

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

(d) Company has in place a Whistle Blower Policy and no person has been denied access to the audit committee. Details of the policy are placed on the Company's website www.shardamotor.com.

(e) In the ordinary course of business, the Company is exposed to risk resulting from exchange rate fluctuations and interest rate movements. The Company had managed the foreign exchange risk and hedged to the extent considered necessary. Details of foreign currency exposure are disclosed in notes to the financial statements. To counter the commodity price risks, the Company has in place adequate risk measures and control systems which identify the risks, assess their severity and their potential effect on the performance of the Company through systematic report and charts.

(f) The Company has complied with all the mandatory requirements of Listing Regulations and the non-mandatory requirements have been adopted to the extent and in the manner as stated hereunder:

a) The Company has appointed separate persons to the post of Chairperson and Managing Director/ CEO.

b) The Company is in the regime of unqualified financial statements.

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

(h) The Company has adopted a code of conduct for prevention of Insider Trading and Fair Disclosure as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors and designated employees who could have access to the unpublished price sensitive information are required to follow this code.

(i) The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

(j) The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations, wherever applicable, and necessary disclosures thereof have been made in this Corporate Governance Report.

9. MEANS OF COMMUNICATION

The un-audited quarterly / half yearly financial results and annual audited financial results are announced within the stipulated time under Listing Regulations. The aforesaid financial results are reviewed by the Audit Committee and taken on record by the Board of Directors and are communicated to the concerned Stock Exchanges in the prescribed manner.

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

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

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

10. GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting to be held:

Day	:	Wednesday
Date	:	30th August, 2017
Time	:	12:00 Noon (IST)
Venue	:	PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016, India

Financial Year	**:**	**1st April to 31st March**
Date of Book Closure	**:**	**24th August, 2017 to 30th August, 2017 (Both days inclusive)**
Dividend Payment		An interim dividend of Rs. 6.25 per equity share i.e. 62.5% on the paid up equity capital of the Company for the financial year 2016-17 was paid in February, 2017. The Board has also recommended a final dividend of Rs. 6.25 per equity share which will be paid within the prescribed statutory period, subject to declaration by the shareholders at the ensuing Annual General Meeting.
Listing on Stock Exchanges		The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the annual listing fees for the financial year 2017-18 has been paid in respect of both the stock exchanges.

Stock Code and ISIN No.

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

High, Low during each month of last financial year:

Month	BSE		NSE	
	High	Low	High	Low
Apr-16	950.00	787.00	920.00	795.00
May-16	940.00	795.00	944.00	801.50
Jun-16	897.75	801.05	885.40	801.55
Jul-16	1065.00	823.10	1060.00	818.00
Aug-16	1438.00	971.00	1438.00	955.85
Sep-16	1232.95	1016.00	1298.00	1011.25
Oct-16	1350.00	1145.00	1348.00	1126.10
Nov-16	1374.50	991.05	1373.65	1000.00
Dec-16	1084.00	950.10	1124.95	949.00
Jan-17	1180.00	1022.00	1187.90	1011.00
Feb-17	1370.00	1145.00	1369.00	1141.00
Mar-17	2094.40	1335.00	2096.65	1333.00

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

Registrar & Transfer Agent

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

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

Share Transfer System and other related matters:

The shares which are received in physical form for transfer/transmission/split etc. are immediately processed and dispatched within the stipulated time period. As in the past, the Company has sent intimation to the shareholders whose dividend warrants have not been en-cashed. Shareholders are requested to revert to the Company if they have not received/en-cashed their dividend warrants. The details of dividends which are proposed to be transferred to the Investor Education and Protection Fund in respect of unclaimed / unpaid dividend for the earlier years are provided in the Notes to the Notice calling the Annual General Meeting.

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

SHAREHOLDING

Distribution of shareholding as on 31st March, 2017

Category (No. of shares)	No. of shareholders	% of shareholders	No. of Shares	% of equity shares
1 to 100	2,885	78.12	74,185	1.25
101 to 500	485	13.13	1,15,131	1.94
501 to 1000	125	3.39	93,577	1.57
1001 to 5000	128	3.47	2,67,931	4.50
5001 to 10000	18	0.49	1,22,235	2.06
10001 to 20000	29	0.79	3,93,870	6.62
20001 to 30000	7	0.19	1,85,348	3.12
30001 to 40000	1	0.02	32,414	0.55
40001 to 50000	4	0.11	1,94,400	3.27

Category (No. of shares)	No. of shareholders	% of shareholders	No. of Shares	% of equity shares
50001 to 100000	3	0.08	1,72,437	2.90
100001 to 500000	6	0.16	16,18,420	27.22
500001 to ABOVE	2	0.05	26,76,378	45.00
Total	**3,693**	**100.00**	**59,46,326**	**100.00**

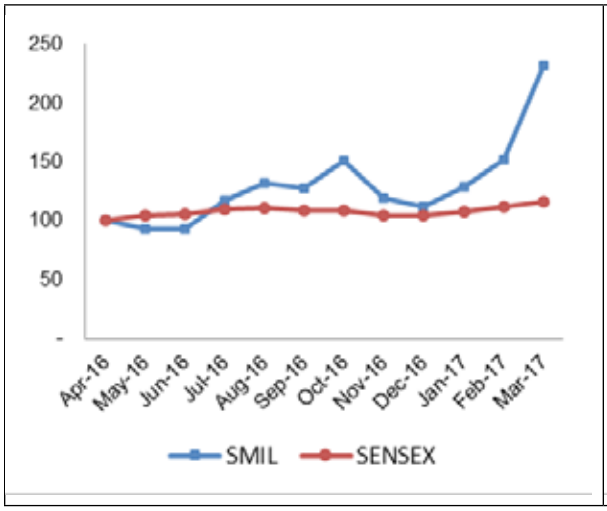
Shareholding Pattern as on 31st March, 2017

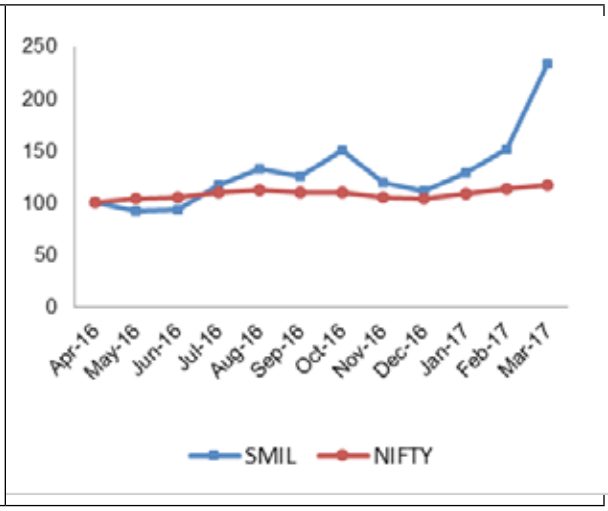
Category Code	Category	No. of shareholders	Total No. of shares	% of total no. of shares	Shares pledged or otherwise encumbered	
					No. of shares	%
(A)	**Promoters and Promoter Group**					
(i)	**Indian**					
	Individual/ HUF	14	44,57,885	74.97%	-	-
	Bodies Corporate	-	-	-	-	-
(ii)	**Foreign**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoters and Promoter Group	**14**	**44,57,885**	**74.97%**	**-**	**-**
(B)	**Public Shareholding**					
(i)	**Institutions**	13	21,780	0.37%	-	-
(ii)	**Non-Institutions**					
	Corporate Bodies	199	2,52,661	4.25%	-	-
	Resident Individuals	3,422	12,07,949	20.31%	-	-
	NRI	45	6,051	0.10%	-	-
	Total Public Shareholding	**3,679**	**14,88,441**	**25.03%**	-	-
	Total Shareholding	**3,693**	**59,46,326**	**100.00%**	-	-

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

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

Base is considered to be 100 as at 1st April, 2016 in both the charts.





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

Dematerialization of shares and liquidity

The shares of the Company are generally traded in dematerialized form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2017, 97.43% shares of the Company are in dematerialized form.

Outstanding GDRs /ADRs / Warrants : Not Issued

Plant Locations:

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

Address for Investors Correspondence:

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

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

DECLARATIONS

Compliance with Code of Conduct

In accordance to Regulation 34(3) read with part D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I, AJAY RELAN, Managing Director of Sharda Motor Industries Ltd, hereby declare that the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct of the Company during the year 2016-17.

For Sharda Motor Industries Ltd

Ajay Relan
Managing Director
DIN:00257584

CEO/CFO Certification

To,

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

CERTIFICATE FOR THE YEAR ENDED 31.03.2017

Pursuant to Regulation 17(8) read with part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Ajay Relan, Managing Director and Vivek Bhatia, Chief Financial Officer of M/s. Sharda Motor Industries Limited do hereby certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the year 2016-17 and that to the best of our knowledge and belief:

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

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

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

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

  (i) that there are no significant changes in internal control over financial reporting during the year 2016-17;

  (ii) that there are no significant changes in accounting policies during the year 2016-17; and

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

For **Sharda Motor Industries Ltd**

Vivek Bhatia
Chief Financial Officer
M.No. 89846

Ajay Relan
Managing Director
DIN:00257584

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

To

The Members of **M/s. SHARDA MOTOR INDUSTRIES LTD.**

We have examined the compliance of the conditions of Corporate Governance by Sharda Motor Industries Limited for the year ended on 31st March 2017, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchange.

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi
Dated : 17th July, 2017

For S. R. DINODIA & CO.LLP
Chartered Accountants
Regn. No. 001478N/N500005

(Sandeep Dinodia)
Partner
M. No. 083689

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

The Indian auto-components industry has experienced healthy growth over the last few years. Some of the factors attributable to this include: a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system. The auto-components industry will account for almost seven per cent of India's Gross Domestic Product (GDP) by 2026. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favorable destination for investment. The Indian auto-components industry can be broadly classified into the organized and unorganized sectors. The organized sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganized sector comprises low-valued products and caters mostly to the aftermarket category. This has been driven by strong growth in the domestic market and increasing globalization (including exports) of several Indian suppliers. The Indian Auto Component industry is expected to grow by 8-10 per cent in FY 2017-18, based on higher localization by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India, as per ICRA Limited. According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US$ 100 billion by 2020 backed by strong exports ranging between US$ 80- US$ 100 billion by 2026, from the current US$ 11.2 billion.

B. OPPORTUNITIES & THREATS

OPPORTUNITIES

The cumulative Foreign Direct Investment (FDI) inflows into the Indian automobile industry during the period April 2000 - September 2016 were recorded at US$ 15.80 billion, as per data by the Department of Industrial Policy and Promotion (DIPP). The Government of India's Automotive Mission Plan (AMP) 2006–2016 has come a long way in ensuring growth for the sector. The deregulation of FDI in this sector has also helped foreign companies to make large investments in India. The Government of India's Automotive Mission Plan (AMP) 2016–2026 envisages creation of an additional 50 million jobs along with an ambitious target of increasing the value of the output of the sector up to Rs. 1,889,000 crore (US$ 282.65 billion). The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the changes via systematic research and development. The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times to US$ 40 billion by 2020.

THREATS

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

C. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

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

D. RISKS AND CONCERNS

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

Operational risks like shortage of power which leads to increase in cost of production and change in technology which makes existing technology obsolete are major concern for the business. In addition to this, demand of auto component sector is

dependent on the automobile sector which makes the market uncertain at times. Constantly changing regulatory environment always carries with it the risk of high taxes or duties which may increase cost to the company and also competition from foreign substitutes.

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

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

E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director. The Company has robust ERP systems based on Microsoft Dynamics platform. This ensures high degree of system based checks and controls. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

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

F. HUMAN RESOURCES AND DEVELOPMENT

At SMIL, we believe in fostering equal employment opportunities, where individuals are selected and treated on the basis of their job-relevant merits and are given equal opportunities within the organization. Your company always strives to achieve maximum employee satisfaction and has initiated many programs on up-skilling/ training and empowerment of its employees. The Company has criterias for hiring of best talent in the Company who can provide quality of work and add to the Company's growth.

The Company had 1165 permanent employees as on 31st March, 2017. The industrial relations remained peaceful and cordial throughout the year.

G. STATUTORY COMPLIANCE

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

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

Cautionary Statement

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Sharda Motor Industries Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 7 to the financial statements.

ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contacts including derivative contracts. - Refer Note No 25 to the financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as and dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management- Refer Note No. 31 to the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

Place of Signature: New Delhi
Date : 30th May, 2017

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

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

We have audited the internal financial controls over financial reporting of **Sharda Motor Industries Limited ("the Company")** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

Place of Signature: New Delhi
Date : 30th May, 2017

Annexure 'B' To the Independent Auditors' Report

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2017; 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 accordance with this programme for the year, no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) On the basis of information and explanation provided by the management, title deeds of immovable properties are held in the name of the Company. Two title deeds are mortgaged with the Banks for securing the long term borrowings, detail of the same are disclosed in Note No 5 of the financial statement.

ii) In respect of its inventory:

a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year, except inventory in transit and lying with third parties. In our opinion, the frequency of physical verification followed by the management is reasonable.

b) We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.

iii) According to the information and explanation given to us, the Company had not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) (a) to (c) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v) The Company has not accepted any deposits from the public. Accordingly, the provisions of paragraph 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

vi) We have broadly reviewed the books of account relating to materials, labour and other items maintained by the company as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

vii) In respect of statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable except duty of Custom ₹ 6.59 lacs.

b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited on account of any dispute except the following, which have not been deposited on account of dispute:

S.No.	Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
1	U. P. Entry Tax Act	Entry Tax	0.90 lacs	F.Y. 2001-02	Appellate Authority UP Trade Tax
2.	Maharashtra Sales Tax Act	VAT	35.29 lacs	F.Y. 2010-11 & 2011-12	Deputy Commissioner, Sales Tax, Maharashtra
3.	Tamil Nadu Sales Tax Act	VAT	29.72 lacs	F.Y. 2005-06 & 2006-07	Asst. Commissioner (CT), Sriperumbudur
4.	Service Tax under Finance Act,1994	Service Tax	08.09 lacs	F.Y. 2008-09 & 2015-16	CESTAT,Custom, Central Excise & Service Tax, Appellate Tribunal, Delhi
5.	Central Excise Act	CENVAT Credit	2.24 lacs	F.Y. 2007-08	Adjudicating Authority, Large Taxpayer Unit Delhi
6.	Central Excise Act	CENVAT Credit	3.20 lacs	F.Y. 2008-09 to 2012-13	Deputy Commissioner, Central Excise & Service Tax, LTU, New Delhi

S.No.	Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
7.	Central Excise Act	CENVAT Credit	440 lacs	F.Y. 2008-09 & 2009-10	Hon'ble Supreme Court of India
8.	Central Excise Act	CENVAT Credit	4.93 lacs	F.Y. 2014-15	Deputy Commissioner, Central Excise & Service Tax, LTU, New Delhi
9.	Central Excise Act	CENVAT Credit	1.56 lacs	F.Y. 2014-15	Deputy Commissioner, Central Excise & Service Tax, LTU, New Delhi
10.	Central Excise Act	CENVAT Credit	0.78 lacs	F.Y. 2015-16 & 2016-17	Deputy Commissioner, Central Excise & Service Tax, LTU, New Delhi
11.	Income Tax Act	Income Tax	38.14 lacs	A.Y. 2011-12	ITAT, New Delhi
12.	Income Tax Act	Income Tax	41.55 lacs	A.Y. 2012-13	ITAT, New Delhi
13.	Income Tax Act	Income Tax	41.29 lacs	A.Y. 2013-14	CIT (A), New Delhi
14.	Indian Contract Act	Security Services/ Damages	4.43 lacs	F.Y.2014-15	District Court, Saket
15.	Labour Act	Employees Dispute	0.40 lacs	F.Y. 2013-14	Presiding Officer, Industrial Tribunal cum Labour Court-II, Gurgaon
16.	Indian Contract Act	Vendor Dispute	6.12 lacs	F.Y. 2010-11	High Court, Bombay
17.	EPFO Act	Provident Fund	18.31 lacs	F.Y. 1995-96 to 2014-15	Asst. Provident Fund Commissioner

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

ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

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/provided managerial remuneration in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.

xii) The Company is not a nidhi company and hence, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc, as required by the applicable accounting standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For S. R. Dinodia & Co., LLP.
Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

Place of Signature: New Delhi
Date : 30th May, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
Equity and Liabilities			
Shareholders' Funds			
(a) Share Capital	3	594.63	594.63
(b) Reserves and Surplus	4	27,622.14	22,472.03
		28,216.77	**23,066.66**
Non-Current Liabilities			
(a) Long-Term Borrowings	5	1,118.42	1,906.55
(b) Deferred Tax Liabilities (Net)	6	913.11	1,585.18
(c) Long-Term Provisions	7	809.75	573.23
		2,841.28	**4,064.96**
Current Liabilities			
(a) Short-Term Borrowings	8	2,948.45	8,634.72
(b) Trade Payables	9.1		
Total outstanding dues of micro enterprises & small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		16,401.76	12,548.39
(c) Other Current Liabilities	9.2	4,301.43	3,973.58
(d) Short-Term Provisions	7	221.20	674.60
		23,872.84	**25,831.29**
Total		**54,930.89**	**52,962.91**
Assets			
Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	10.1	19,551.15	23,023.47
Intangible Assets	10.2	864.36	1,241.26
Capital Work-in-Progress	10.3	71.25	385.87
(b) Non-Current Investments	11.1	215.07	215.51
(c) Long-Term Loans and Advances	12	820.19	1,866.30
(d) Other Non-Current Assets	14.2	5.05	5.00
		21,527.07	**26,737.41**
Current Assets			
(a) Current investments	11.2	7,518.78	2,893.80
(b) Inventories	13	7,183.69	8,274.16
(c) Trade Receivables	14.1	10,951.02	10,199.71
(d) Cash and Other Bank Balances	15	5,986.19	3,698.71
(e) Short-Term Loans and Advances	12	1,598.53	833.35
(f) Other Current Assets	14.2	165.61	325.77
		33,403.82	**26,225.50**
TOTAL		**54,930.89**	**52,962.91**
The accompanying notes are integral part of the financial statements	2		

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

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

(Sandeep Dinodia)
Partner
M.NO. 083689

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

Pradeep Rastogi
President
(Legal & Strategic Solutions)

Nitin Vishnoi
Company Secretary
M. No. F3632

Place : New Delhi
Dated : 30th May, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue			
I. Revenue from Operations (Net)	16	1,04,261.18	92,684.70
II. Other Income	17	1,119.78	1,405.12
III. Total Revenue (I+II)		**1,05,380.96**	**94,089.82**
IV. Expenses:			
(a) Cost of Materials Consumed	18	66,231.84	59,491.43
(b) Purchase of Traded Goods	19	5,189.74	5,075.91
(c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	20	195.18	330.94
(d) Employee Benefits Expense	21	7,292.83	6,949.45
(e) Finance Costs	22	726.51	1,213.19
(f) Depreciation and Amortization Expense	10	4,979.37	4,421.52
(g) Other Expenses	23	12,247.44	11,205.55
Total expenses		**96,862.91**	**88,687.99**
V Profit before exceptional items & tax		8,518.05	5,401.83
VI Exceptional items	24	915.27	357.43
VII Profit before tax		**7,602.78**	**5,044.40**
VIII Tax expense:			
Current Tax		2,939.79	1,730.00
Less: MAT credit entitlement		-	-
Net Current Tax expense		2,939.79	1,730.00
Deferred Tax		(672.07)	(38.02)
Tax Adjustment For Earlier Years		(262.36)	(69.98)
IX Profit after tax / Profit for the Year		**5,597.42**	**3,422.40**
X Earnings Per Equity Share:	28		
(1) Basic (In Rupees)		94.13	57.56
(2) Diluted (In Rupees)		94.13	57.56
Significant Accounting Policies	2		

The accompanying notes are integral part of the financial statements

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

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

(Sandeep Dinodia)
Partner
M.NO. 083689

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

Pradeep Rastogi
President
(Legal & Strategic Solutions)

Nitin Vishnoi
Company Secretary
M. No. F3632

Place : New Delhi
Dated : 30th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
A CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before taxation & Extraordinary items		7,602.78	5,044.40
Adjustment for:			
Depreciation written off		4,979.37	4,421.52
Interest Income		(381.88)	(301.16)
Finance Cost		686.22	1,213.19
Dividend Income		(81.00)	(81.00)
Profit on Sale of Fixed Assets (Net)		(233.02)	(602.62)
Amount written off (net)		(22.58)	(33.88)
Pre-Operative Expenses Written Off		738.87	357.43
Diminution in value of asset held for sale		176.40	-
Tax adjustment of earlier year		262.36	69.98
Unrealised Gain/ Loss on Reinstatement		9.54	(13.87)
Operating profit before Working Capital changes		**13,737.06**	**10,074.00**
Adjustment for:			
Decrease / (Increase) in Trade Receivables		(751.31)	(266.45)
Decrease / (Increase) in Increase in Inventories		1,090.47	395.45
Decrease / (Increase) in loans and advances		2,170.04	256.39
Decrease / (Increase) in Other Receivables		(175.68)	(984.14)
Increase / (Decrease) in Trade Payable		3,911.93	553.74
Increase / (Decrease) in Provisions		(2,709.37)	237.89
Increase / (Decrease) in Other Payables		327.85	150.81
Cash Generated from operation		**17,600.99**	**10,417.69**
Direct Taxes paid (Net of Income Tax Refund)		(1,889.11)	(1,141.10)
Net Cash flow from Operating Activities (A)		**15,711.88**	**9,276.59**
B CASH FLOW FROM INVESTING ACTIVITIES			
Sale of Fixed Assets		822.26	2,952.94
Purchase of Fixed Assets		(1,984.24)	(3,205.49)
Investment made		(4,624.54)	(2,894.81)
Bank deposits made		(1,957.20)	(3,401.00)
Interest Received		381.88	301.16
Dividend Income		81.00	81.00
Net Cash used in Investing Activities (B)		**(7,280.86)**	**(6,166.20)**
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) from Borrowings (Net)		(6,519.93)	(2,308.81)
Finance Cost		(686.22)	(1,213.19)
Dividend paid (including Corporate Dividend Tax)		(894.60)	(805.50)
Net Cash used in Financing Activities (C)		**(8,100.75)**	**(4,327.51)**
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)		**330.27**	**(1,217.13)**
CASH & CASH EQUIVALENTS-OPENING BALANCES		**297.71**	**1,514.84**
CASH & CASH EQUIVALENTS-CLOSING BALANCES		**627.98**	**297.71**
Cash & Cash Equivalents include :			
Cash in hand		105.39	0.82
Balances with Scheduled Banks			
- In Current Account		272.59	96.88
- In Deposit Account		250.00	200.00
		627.98	297.71

Note :

1. Figures in brackets represent outflows
2. Previous year figures have been regrouped/ restated wherever necessary.

Significant Accounting policies 2

The accompanying notes are integral part of the financial statements

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

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

(Sandeep Dinodia)	**Kishan N Parikh**	**Sharda Relan**	**Ajay Relan**
Partner	Chairperson	Co-Chairperson	Managing Director
M.NO. 083689	DIN:00453209	DIN:00252181	DIN:00257584
	Vivek Bhatia	**Pradeep Rastogi**	**Nitin Vishnoi**
	President & CFO	President	Company Secretary
Place : New Delhi	M. No. 89846	(Legal & Strategic Solutions)	M. No. F3632
Dated : 30th May, 2017			

Notes to financial statements for the year ended March 31, 2017

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

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

Note 2.1: Significant Accounting Policies

(a) Use of Estimates

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

(b) Classification of Current/ Non Current Assets & Liabilities

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

Assets

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

a. it is expected to be realized in,or is intended for sale or consumption in, the company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date;

Liabilities

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

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

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

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification

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

Operating cycle

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

(c) Fixed Assets

I) Tangible Assets

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

Gain or loss arising on account of sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of assets and all other expenses incurred on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statements of profit and loss for the period during which such expenses are incurred.

II) Intangible Assets

Intangible assets representing computer software (which does not 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.

(d) (I) Depreciation on tangible fixed assets

Depreciation is provided using the written down value method as per the useful life specified in Part "C" of Schedule II of the Companies Act,2013 and after retaining the residual value of 5% of the original cost of the assets as specified in the said Schedule. The Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined separately. The identification of significant components is matter of technical judgement and is decided on case to case basis; wherever applicable. Further as per Note No. 7 of Part "C" of the said Schedule the carrying amount of the assets has been depreciated as follow:

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

b) However, some assets has been depreciated over useful life different from life specified in Schedule II of Companies Act, 2013 based on the technical estimates as details given below:-

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

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

II) Amortisation of Intangible Assets

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

(e) Inventories

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

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

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

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

(f) Revenue Recognition

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

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

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

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

(g) Purchases

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

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

(h) Foreign Exchange Transactions

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

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

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

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

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

(i) Borrowing Costs

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

(j) Investments

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

b) Non-Current Investments are carried at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Investments.

(k) Expenditure on Research and Development

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

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

(l) Employee Benefits

a) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.

b) The Company has Defined Contribution plans for post employment benefits' namely Provident Fund and Employee State Insurance Scheme. The Company's contributions in the above plans are charged to revenue every year.

c) The Company has Defined benefits plans namely Leave Encashment / Compensated Absence and Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each Financial Year by using 'Projected Unit Credit' (PUC) method. However, the company through its Trust has taken a policy with 'Life Insurance Corporation of India' to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

d) Provision for Leave Encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each Financial Year by using 'Projected Unit Credit' (PUC) method.

e) Actuarial gains / losses are immediately taken to Statement of Profit and Loss.

f) Terminal benefits are recognized as an expense immediately.

Other Long Term Benefits

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

(m) Taxes on Income

(a) Current Tax

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. The provisions of current tax is made after considering impact if any, of provisions contained in Income Computation Disclosure Standards (ICDS) issued by CBDT vide Notification S.O. 892(E) dated March 31, 2016.

(b) Deferred Tax

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

(c) Minimum Alternate Tax

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

(n) Provisions, Contingent Liabilities and Contingent Assets

a) Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.

b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

c) Contingent Assets are neither recognized nor disclosed in the financial statements.

(o) Leases

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

(p) Earnings Per Share

a) In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

b) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

c) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed as converted at the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

(q) Cash Flow

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

(r) Cash and cash equivalents

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

(s) Warranty

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

(t) Impairment of Assets

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

u) Segment Reporting

(a) Based on the guiding principles given in Accounting Standard on “Segment Reporting” (AS-17) as notified under Companies (Accounts) Rules, 2014, the Company’s primary business segment involves manufacturing and trading of auto component parts mainly with similar risks and returns. As the Company’s business activities fall within a single primary business segment, i.e. sale of auto component parts, the disclosure requirements of AS-17 in this regard are not applicable.

(b) The Company sells its products mostly within India and does not have any operations in economic environments with different risks and returns. Hence it is considered to be operating in single geographical segment.

(Currency : ₹ in Lakhs except otherwise specified)

Note 3 : Share Capital	As At March 31, 2017	As At March 31, 2016
Authorised Shares Capital		
5,00,00,000 (March 31, 2016 : 5,00,00,000) Equity Shares of ₹ 10/- each	**5,000.00**	**5,000.00**
	5,000.00	5,000.00
Issued, Subscribed & Paid-up Shares		
Equity Share Capital		
59,46,326 (March 31, 2016: 59,46,326) Equity Shares of ₹ 10/- each fully paid up	594.63	594.63
	594.63	**594.63**

a) Reconciliation Statement of Equity Share Capital

Equity Shares	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	59,46,326	594.63	59,46,326	594.63
Add:- Issued during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Outstanding at the end of the year	**59,46,326**	**594.63**	**59,46,326**	**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, 2016: ₹ 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 ended March 31, 2017, the amount of per share interim dividend recognized as distributions to Equity Shareholders was ₹ 6.25 per share (March 31, 2016: ₹ 6.25 per share)

c) Details of Shareholder holding more than 5 percent Equity Shares in the Company

	March 31, 2017		March 31, 2016	
	No of shares	% of holding	No of shares	% of holding
N.D Relan	-	-	4,50,960	7.58
Sharda Relan	-	-	6,97,520	11.73
Ajay Relan	19,33,858	32.52	7,85,378	13.21
Rohit Relan	4,28,818	7.21	4,28,818	7.21
Ritu Relan	7,42,520	12.49	7,42,520	12.49
Mala Relan	4,97,252	8.36	4,96,260	8.35
Aashim Relan	3,00,900	5.06	3,00,900	5.06

(Currency : ₹ in Lakhs except otherwise specified)

NOTE 4 : RESERVES AND SURPLUS		As At March 31, 2017	As At March 31, 2016
Capital Reserve			
Balance at the beginning of the year		0.20	0.20
Add : Addition during the year		-	-
Less: Utilised during the year		-	-
Balance at the end of the year	**(A)**	**0.20**	**0.20**

General Reserve			
Balance at the beginning of the year		21,025.68	18,425.68
Add : Addition during the year		-	2,600.00
Less: Utilised during the year		-	-
Balance at the end of the year	**(B)**	**21,025.68**	**21,025.68**
Profit & Loss Account			
Balance at the beginning of the year		1,446.15	1,518.37
Add:- Profit for the year		5,597.42	3,422.40
		7,043.57	**4,940.77**
Less:- Appropriations:			
- Interim Dividend (Dividend amount per share ₹ 6.25 per share (March 31, 2016: ₹ 6.25 per share)		371.64	371.64
- Proposed Dividend on Equity Shares (Dividend amount per share ₹ 6.25 per share (March 31, 2016: ₹ 6.25 per share)		-	371.64
- Dividend Distribution Tax on Interim Dividend		75.67	75.67
- Dividend Distribution Tax on Proposed Dividend		-	75.67
- Transfer to General Reserves		-	2,600.00
Total Appropriation		**447.31**	**3,494.62**
Balance at the end of the year	**(C)**	**6,596.26**	**1,446.15**
Total Reserves & Surplus	**(A+B+C)**	**27,622.14**	**22,472.03**

(Currency : ₹ in Lakhs except otherwise specified)

NOTE 5 : LONG TERM BORROWINGS	**Non-Current**		**Current**	
	March 31, 2017	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Term Loans from Banks (Secured)				
External Commercial Borrowing	-	1,906.55	1,988.38	1,572.11
(Refer note 'b' below)				
From Related parties (Unsecured)				
Directors	1,118.42	-	-	-
	1,118.42	**1,906.55**	**1,988.38**	**1,572.11**
Amount disclosed under 'Other Current Liabilities' (Refer Note no. 9)	-	-	1,988.38	1,572.11
	1,118.42	**1,906.55**	**-**	**-**

Notes:

(a) The above amount includes

- Secured Borrowings	-	1,906.55	1,988.38	1,572.11
- Unsecured Borrowings	1,118.42	-	-	-

(b) Terms attached to Secured Loans

The ECB loan consists of 2 loans:

(i) First loan of US $ 2.0 Million was taken in August, 2012 and repayable in 15 quarterly installments of US$ 133,333 commencing from 26.01.2014. The loan carries an interest rate of 8.45% p.a.

- Repayment Profile: The repayment profile of the term loan outstanding as at March 31, 2017 is as follows:

Installment	Due Date	Amount Repayable in US$	Amount Repayable in ₹
1	26-04-2017	1,33,333.33	86,45,157
2	26-07-2017	1,33,333.33	86,45,157

- Details of Security: 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 $ 6.0 Million was taken in January, 2014 and repayable in six half yearly installments. The Loan carries an interest rate of 7.75% p.a. The repayment schedule of the said loan is as under:

- Repayment Profile: The repayment profile of the term loan outstanding as at March 31, 2017 is as follows:

Installment	Due Date	Amount Repayable in US$	Amount Repayable in ₹
1	31-07-2017	14,00,000.00	9,07,74,040
2	30-01-2018	14,00,000.00	9,07,74,040

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

(iii) Unsecured loan from director is repayable upon call by the lender at anytime by giving an advance notice in writting of atleast one year to the borrower. The loan carries an interest rate of 8.65% - 10.60% p.a.

(Currency : ₹ in Lakhs except otherwise specified)

Note 6 : Deferred Tax Liabilities (Net)		**As At March 31, 2017**	**As At March 31, 2016**
Deferred Tax Liabilities			
Fixed Assets: Impact of difference between Tax Depreciation and depreciation/ amortization charged for the financial reporting		1,211.53	1,879.70
Gross Deferred Tax Liabilities	**(A)**	**1,211.53**	**1,879.70**
Deferred Tax Assets			
Impact of expenditure charged to the Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis		294.52	294.31
Provision for Lease Equalization		1.07	0.21
Provision for Investment		2.83	-
Gross Deferred Tax Assets	**(B)**	**298.42**	**294.52**
Deferred Tax (Asset)/ Liability (Net)	**(A+B)**	**913.11**	**1,585.18**

(Currency : ₹ in Lakhs except otherwise specified)

Note 7 : Provisions	**Long Term**		**Short Term**	
	March 31, 2017	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Provision for Employee Benefits				
Leave Encashment	171.46	148.42	81.13	81.52
Gratuity	215.77	85.86	3.51	13.16
(Refer Note no. 21.1)				
Others Provisions				
Provision for warranty claim (Refer Note no. 7.1)	419.43	338.34	136.56	132.61
Provision for Lease Equalization	3.09	0.61	-	-
Proposed dividend	-	-	-	371.64
Tax on proposed dividend	-	-	-	75.67
	809.75	**573.23**	**221.20**	**674.60**

(Currency : ₹ in Lakhs except otherwise specified)

Note 7.1 : Disclosure required by AS-29 (Provisions, Contingent Assets and Contingent Liabilities)	As At March 31, 2017	As At March 31, 2016
Provision for warranty claim		
Balance at the beginning of the year	470.95	383.82
Provision made during the year	273.12	265.22
Amount used/reversed/paid during the year	188.08	178.09
Balance at the end of the year	**555.99**	**470.95**

(Currency : ₹ in Lakhs except otherwise specified)

Note 7.2 Contingent Liabilities	As At March 31, 2017	As At March 31, 2016
Contingent liabilities		
(a) Claims against the company not acknowledged as debts		
i) Disputed State Tax Matters	65.90	0.90
ii) Disputed Excise Matters	12.71	5.44
iii) Disputed Service Tax Matters	8.09	11.07
iv) Disputed Income Tax Matters	164.31	102.33
v) Disputed Central Excise Matters	440.00	440.00
vi) Dispute with vendor	24.24	4.80
(b) Other money for which the company is contingently liable*	1,265.00	1,272.09
	1,980.25	**1,836.63**

*Foreign Letters of Credit of ₹ 1265.00 Lakhs (March 31, 2016: ₹ 1,272.09 Lakhs)

(Currency : ₹ in Lakhs except otherwise specified)

Note 8 : Short Term Borrowings	As At March 31, 2017	As At March 31, 2016
From Banks-Secured		
Cash credit (Refer note 'a' below)	-	2,550.21
Other (Refer note 'b' below)	817.79	1,500.00
Bills Discounted (Refer note 'c' below)	144.04	186.97
Unsecured Borrowing		
From Related parties (Refer note 'd' below)	1,986.62	4,397.54
	2,948.45	**8,634.72**

a) Cash Credit

(i) Secured by charge on inventories and books debts

(ii) Equitable mortgage of leasehold land and building, situated at Plot No. 4, Sector 31, Greater Noida Industrial Development Area, U.P., and plant & Machinery and other assets.

(iii) Rate of Interest of Cash Credit : 8.8% - 10.60%

b) Others

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

c) Bills Discounted

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

d) Loans From Related Parties

Loans from Related Parties are payable on demand. The loan is taken on an interest rate of 8.65% - 10.60%.

Note 9 : Other Current Liabilities

(Currency : ₹ in Lakhs except otherwise specified)

9.1 : Trade Payables	**As At March 31, 2017**	**As At March 31, 2016**
- Due to Micro and Small Enterprises	-	-
- Amount due to Others	16,401.76	12,548.39
	16,401.76	**12,548.39**

9.2 : Other Liabilities:		
Current maturities of long-term borrowings (Refer Note No. 5)	1,988.38	1,572.11
Interest Accrued but not due on borrowings	26.05	49.22
Interest Accrued and due on borrowings	20.58	52.02
Unclaimed dividend	45.63	45.91
Statutory dues	1,030.65	1,145.51
Others	877.16	616.79
Creditors for Capital Expenditure	312.98	492.02
	4,301.43	**3,973.58**
	20,703.19	**16,521.95**

a) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2017 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951, is as given below :

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

	As At March 31, 2017	**As At March 31, 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
(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
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	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

c) 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.

d) The above does not includes any amount due to be transferred to Investor Education & Protection Fund.

Notes to financial statement for the year ended on March 31, 2017

Note 10 : Fixed Assets

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As At April 01, 2016	Addition	Sale / Adjustment	As At March 31, 2017	As At April 01, 2016	Addition	Sale / Adjustment	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
10.1 - Tangible Assets										
Land										
- Lease Hold	837.46	-	111.00	726.46	84.24	8.67	-	92.91	633.55	753.22
- Free Hold	1,410.09	-	-	1,410.09	6.78	-	-	6.78	1,403.31	1,403.31
Building	9,834.31	9.02	-	9,843.33	4,281.77	524.38	-	4,806.15	5,037.18	5,552.54
Plant & Machinery (Refer note below)	30,829.22	1,632.55	2,775.44	29,686.33	17,285.77	3,524.30	2,008.31	18,801.76	10,884.57	13,543.45
Office Equipment	745.91	44.41	0.92	789.40	550.37	69.30	0.92	618.75	170.65	195.55
Computer	535.48	39.90	-	575.38	476.37	30.47	-	506.84	68.54	59.11
Furniture & Fixture	338.82	9.18	1.48	346.52	264.54	24.81	1.48	287.87	58.65	74.27
Electric Fitting (Refer note below)	2,994.26	0.00	74.92	2,919.33	1,802.85	223.21	62.76	1,963.30	956.04	1,191.41
Vehicle	1,285.41	174.32	102.23	1,357.50	1,034.80	80.93	96.89	1,018.84	338.66	250.61
Sub-Total (10.1)	**48,810.96**	**1,909.38**	**3,065.99**	**47,654.35**	**25,787.49**	**4,486.07**	**2,170.37**	**28,103.20**	**19,551.15**	**23,023.47**
10.2 - Intangible Assets										
Software Development	485.93	116.40	-	602.33	446.52	29.84	-	476.36	125.97	39.41
Technical Knowhow & Guidance	5,611.93	-	-	5,611.93	4,410.08	463.46	-	4,873.54	738.39	1,201.85
Sub-Total (10.2)	**6,097.86**	**116.40**	**-**	**6,214.26**	**4,856.60**	**493.30**	**-**	**5,349.90**	**864.36**	**1,241.26**
10.3 - Capital Work In Progress (Refer Note 10.4)	385.87	11.47	326.09	71.25	-	-	-	-	71.25	385.87
Sub-Total (10.3)	**385.87**	**11.47**	**326.09**	**71.25**	**-**	**-**	**-**	**-**	**71.25**	**385.87**
Grand Total (10.1+10.2+10.3)	**55,294.69**	**2,037.25**	**3,392.07**	**53,939.85**	**30,644.09**	**4,979.37**	**2,170.37**	**33,453.10**	**20,486.75**	**24,650.60**
For the year ended march 31, 2016	**54,599.36**	**3,927.44**	**3,232.11**	**55,294.69**	**26,691.04**	**4,421.52**	**468.47**	**30,644.09**	**24,650.60**	**27,908.32**

Note :

Sales/Adjustment includes following on account of assets not in use and held for sale.

(Amount in ₹)

	Gross Block	Depreciation
Plant & Machinery	18,99,86,672	17,16,64,179
Electrical Fittings	7,454,067	62,37,922
Total	**19,74,40,739**	**17,79,02,102**

(Currency : ₹ in Lakhs except otherwise specified)

Note 10.4: Pre Operative Expenditure And Capital Work In Progress	As At March 31, 2017	As At March 31, 2016
Building	58.47	237.59
Plant & Machinery	12.78	54.32
Electrical Fittings	-	93.96
	71.25	**385.87**

Note 10.5: Leases

i) The Company has taken Factory Plot on non cancellable lease from M/s. Om Exports Pvt Ltd. Lease Agreement was renewed on 20.01.2016 and is valid till 19.01.2021. Lease Rental (including transfer to lease equalisation reserve) amounting to ₹ 44.29 Lakhs (March 31, 2016: ₹ 39.38 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	43.05	44.29
Later than 1 year but not later than 5 years	86.58	168.34
Total	**129.63**	**212.63**

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

ii) The Company has taken Factory Plot on non cancellable lease from M/s. Sharda Enterprises. Lease Agreement was renewed on 01.07.2015 and is valid till 30.06.2020. Lease Rental amounting to ₹ 48.24 Lakhs (March 31, 2016: ₹ 48.08 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	48.24	48.00
Later than 1 year but not later than 5 years	108.54	192.00
Total	**156.78**	**240.00**

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

iii) The Company had taken a Guest House on non cancellable lease from Smt. Sharda Relan. Lease Agreement was valid till 31.01.2017. Lease Rental amounting to ₹ 50.25 Lakhs (March 31, 2016: ₹ 60.10 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	-	60.00
Later than 1 year but not later than 5 years	-	40.00
Total	**-**	**100.00**

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Guest House at Delhi	31.01.2017	No	Yes	No

iv) The Company has taken a Factory Premises on non cancellable lease from M/s. Sharda Enterprises. Lease Agreement is valid till 17.10.2017. Lease Rental amounting to ₹ 84.42 Lakhs (March 31, 2016: ₹ 84.14 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	45.73	45.50
Later than 1 year but not later than 5 years	-	-
Total	**45.73**	**45.50**

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

v) The Company has taken a Factory Premises on non cancellable lease from M/s. Mahindra Vehicle Manufacturers Ltd. Lease Agreement is valid till 22.02.2031. Lease Rental amounting to ₹ 37.86 Lakhs (March 31, 2016: ₹ 37.68 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	37.80	37.68
Later than 1 year but not later than 5 years	151.20	150.72
More than 5 years	355.95	393.75
Total	**544.95**	**582.15**

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

vi) The Company had taken a Factory Premises on non cancellable lease from M/s. Sharda Auto Solutions Pvt Ltd . Lease Agreement was valid till 30.06.2016. Lease Rental amounting to ₹ 10.25 Lakhs (March 31, 2016: ₹ 43.74 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	-	7.20
Later than 1 year but not later than 5 years	-	-
Total	**-**	**7.20**

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Premises at Chennai	30.06.2016	No	Yes	No

Note 11 : Investments

(Currency : ₹ in Lakhs except otherwise specified)

Note 11.1: Non Current Investments	As At March 31, 2017	As At March 31, 2016
Trade Investments (Valued at cost unless otherwise stated)		
Quoted Equity Instruments		
Investment in Associates		
9,000,000 Equity shares (March 31, 2016: 9,000,000) of ₹ 2/- each, fully paid up of Bharat Seats Ltd.	90.00	90.00
{including 4,500,000 Bonus Shares }		

Unquoted Equity Instruments			
Investment in Joint Venture			
5,000 Equity shares (March 31, 2016: 5,000) of ₹ 10 each, fully paid up of Toyota Boshoku Relan India Pvt. Ltd.		0.50	0.50
7,50,000 Equity shares (March 31, 2016: 7,50,000) of ₹ 10 each, fully paid up of Toyo Sharda India Pvt. Ltd.		75.00	75.00
Total Trade Investments	**(A)**	**165.50**	**165.50**
Non Trade Investments (Valued at cost unless otherwise stated)			
Unquoted Equity Instruments			
Investment in Associates			
490,000 Equity shares (March 31, 2016: 490,000) of ₹ 10 each, fully paid up of Relan Industrial Finance Ltd.		49.00	49.00
Other			
Investment in Trust		-	1.01
5,700 Equity shares (March 31, 2016: Nil) of ₹ 10 each, fully paid up of Windage Power Company Private Limited		0.57	-
Total Non Trade Investments	**(B)**	**49.57**	**50.01**
Total Non current Investment	**(A+B)**	**215.07**	**215.51**
Aggregate Book Value of Quoted Investments		90.00	90.00
Aggregate Market Value of Quoted Investments		6,430.50	3,240.00
Aggregate Value of Unquoted Investments		125.07	125.51

Note 11.2: Current Investments

Non-Trade Investments		
Investment in Mutual Fund		
- Nil (March 31,2016 : 4,042.97) units of UTI -Liquid Cash Plan - Institutional Growth	-	100.02
- Nil (March 31,2016: 21,726.73) units of Reliance Liquid Fund - Treasury Plan -Growth Option	-	800.00
- Nil (March 31,2016: 49,971.94) units of Reliance Liquid Fund - Cash Plan - Growth Option	-	1,193.78
- Nil (March 31,2016: 33,713.33) units of SBI Premier Liquid Fund - Regular Plan - Growth	-	800.00
- 6,217,272.97 (March 31,2016: Nil) units of Reliance Short Term Fund (Growth)	1,800.00	-
- 3,776,031.01 units (March 31, 2016 : Nil) of ICICI Prudential Short Term plan Regular (Growth)	1,200.00	-
- 1,005,112.67 units (March 31, 2016 : Nil) of BSL-Dynamic Bond Fund-Retail-Regular Growth Plan	291.78	-
- 408,105.3 units (March 31, 2016 : Nil) of Birla Sunlife Short Term Fund (Growth)	250.00	-
- 6,544,040.06 units (March 31, 2016 : Nil) of SBI Short Term Debt Fund- Regular Plan-Growth	1,227.00	-
- 726,030.12 units (March 31, 2016 : Nil) of SBI Magnum Balanced Fund-Reg Growth	750.00	-
- 4,092,500.10 units (March 31, 2016 : Nil) of Kotak Bond - Short Term Plan - Regular Plan (Growth)	1,250.00	-
- 1,649,027.57 units (March 31, 2016 : Nil) of Tata Short Term Bond Fund - Regular Plan (Growth)	500.00	-
- 223,015.17 units (March 31, 2016 : Nil) of ICICI Pru Balanced Reg Plan (Growth)	250.00	-
Total current Investment	**7,518.78**	**2,893.80**
Aggregate Book Value of Mutual Fund	**7,518.78**	**2,893.80**
Aggregate Market Value of Mutual Fund	**7,796.54**	**2,897.36**

(Currency : ₹ in Lakhs except otherwise specified)

Note 12 : Loans And Advances	Non-Current		Current	
(Unsecured considered good unless otherwise stated)	**March 31, 2017**	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Capital Advances	496.28	726.04	-	-
(Unsecured,considered good)				
Security Deposits	223.18	196.83	-	-
(Unsecured,considered good)				
Advances Recoverable in cash or in kind	-	-	1,221.98	454.82
(Unsecured,considered good)				
Other Loans & Advances (Unsecured,considered good)				
MAT Credit Entitlement	14.60	542.37	-	-
Advance tax (Net of Provision : ₹ 3,315.48 Lakhs (March 31, 2016: ₹ 2,886.05 Lakhs))	86.13	379.18	-	-
Prepaid Expenses	-	21.88	213.28	196.99
Balance with Revenue Authorities	-	-	163.27	181.54
	820.19	**1,866.30**	**1,598.53**	**833.35**

Note: Detail of Capital commitment as at March 31, 2017 is as follows:

Capital Commitments

	As At March 31, 2017	As At March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts, net of advance of Rs 496.28 lakh	513.67	481.55
	513.67	**481.55**

(Currency : ₹ in Lakhs except otherwise specified)

Note 13 : Inventories (As taken, valued and certified by the management)	As At March 31, 2017	As At March 31, 2016
Raw materials	5,413.38	5,983.44
Consumable stores and Tools	18.54	382.24
Goods in Transit-Raw Material	141.72	125.86
Work In Progress	1,536.53	1,743.87
Finished Goods	13.91	2.59
Traded Goods	0.84	-
Machinary Spares	58.77	35.77
Others	-	0.39
	7,183.69	**8,274.16**

(Currency : ₹ in Lakhs except otherwise specified)

Note 14 : Trade Receivables and Other Assets	Non Current		Current	
	March 31, 2017	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Note 14.1: Trade Receivables				
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding 6 months from the date they are due for payment				
Unsecured, Considered good	-	-	32.64	35.35
Other Receivables				
Unsecured, Considered good	-	-	10,918.38	10,164.36
	-	**-**	**10,951.02**	**10,199.71**

Note 14.2: Other assets				
(Unsecured, considered good unless stated otherwise)				
Other Receivables	-	-	-	216.82
Interest Accrued but not due on Fixed deposits with bank	0.05	-	146.62	108.95
Non Current Bank Balances (Refer Note no. 15)	5.00	5.00	-	-
Assets held for Sale	-	-	18.99	-
	5.05	**5.00**	**165.61**	**325.77**
	5.05	**5.00**	**11,116.63**	**10,525.48**

(Currency : ₹ in Lakhs except otherwise specified)

Note 15 : Cash And Bank Balances	**Non Current**		**Current**	
	March 31, 2017	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Cash & Cash Equivalent				
Balances with Banks:-				
On Current Account	-	-	226.97	50.98
Unpaid Dividend Account	-	-	45.63	45.91
Deposit with original maturity for less than 3 months	-	-	250.00	200.00
Cash on hand	-	-		
Domestic Currency	-	-	0.80	0.82
Foreign Currency	-	-	104.59	-
	-	**-**	**627.99**	**297.71**
Other Bank Balances				
Term Deposit with original maturity of more than 3 months but less than 12 months	-	-	5,358.20	3,401.00
Term Deposit with original maturity of more than 12 Months (Refer note below)	5.00	5.00	-	-
Less: Disclosed under Other Non-current assets (Refer Note no. 14.2)	(5.00)	(5.00)	-	-
	-	-	5,358.20	3,401.00
	-	**-**	**5,986.19**	**3,698.71**

Margin Money Deposit is Pledged with Canara Bank amounting to Nil (March 31, 2016: ₹ 5.00 Lakhs)

(Currency : ₹ in Lakhs except otherwise specified)

Note 16 : Revenue From Operations	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Revenue from - Sale of Product		
-Finished goods	1,38,609.00	1,23,750.90
-Traded goods	6,146.91	5,941.98
	1,44,755.91	1,29,692.88
Less: Inter Unit Transfer	22,743.59	20,170.76
Net Revenue from sale of Product	1,22,012.32	1,09,522.12
Revenue from -Sale of Services	2.10	0.83
Other Operating Revenues	597.11	844.41
Less: Excise duty	18,350.35	17,682.66
Total	**1,04,261.18**	**92,684.70**

Excise Duty on sales amounting to ₹ 18,350.35 Lakhs (March 31, 2016 : ₹ 17,682.66 Lakhs) has been reduced from sales in Statement of Profit & Loss and Excise duty on increase/(decrease) in stock amounting to ₹ 1.26 Lakhs [March 31, 2016 : ₹ (1.50) Lakhs] has been considered as (income)/expense in Note no. 23 of the financial statements.

Details of product sold		
a) Finished goods sold (Net of Inter Unit Transfer)		
-Metal Parts	93,761.02	83,378.88
-Fabric	20,142.48	18,051.77
-White Goods	1,961.91	2,149.49
	1,15,865.41	**1,03,580.14**
b) Traded goods sold		
- Auto components	6,146.91	5,941.98
	6,146.91	**5,941.98**
Net Revenue from sale of product	**1,22,012.32**	**1,09,522.12**
c) Earning in foreign currency		
F.O.B. value of exports	3,697.91	3,124.69
	3,697.91	**3,124.69**
Details of Sale of Services		
a) Job Work	2.10	0.83
	2.10	**0.83**
Details of Other Operating Revenues		
a) Sale of Scrap	552.41	639.80
b) Design & Development Income	44.70	204.61
	597.11	**844.41**

(Currency : ₹ in Lakhs except otherwise specified)

Note 17 : Other Income	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Interest Income from		
Fixed Deposit with banks	293.35	285.43
Income Tax Refund	79.80	-
Others	8.72	15.73
Dividend Income from		
Non Current Investment - Trade	81.00	81.00
Profit on sale of current investments	168.60	14.69
Profit from sale of Tools & assets	233.02	602.62
Exchange Fluctuation	14.33	-
Other Income	240.95	405.65
	1,119.78	**1,405.12**

(Currency : ₹ in Lakhs except otherwise specified)

Note 18 : Cost of Material Consumed	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw Material		
Balances of Raw Material at the beginning of the year	6,401.84	6,449.26
Less: Transferred to stores & spares and consumable	109.89	-
Add:- Purchases during the year	65,353.27	59,444.01
Less:- Balances of Raw Material at the end of the year	5,413.38	6,401.84
Cost of Raw Material Consumed	**66,231.84**	**59,491.43**
a) Details of raw material and components consumed		
Steel	19,633.38	18,921.77
Fabric	13,901.82	10,775.45
Others	32,696.64	29,794.21
	66,231.84	**59,491.43**
b) C.I.F Value of imports		
Raw material	12,397.06	13,097.87
Capital Goods	63.96	280.61
Machinery Spares & Consumables	289.52	330.72
	12,750.54	**13,709.20**

c) Details of Indigenous and imported material consumed	For the year ended March 31, 2017	%	For the year ended March 31, 2016	%
Raw Material				
-Imported	13,292.58	20.07	13,928.38	23.41
-Indigenous	52,939.26	79.93	45,563.05	76.59
	66,231.84	**100.00**	**59,491.43**	**100.00**

(Currency : ₹ in Lakhs except otherwise specified)

Note 19 : Purchases of Stock - In - Trade	For the year ended March 31, 2017	For the year ended March 31, 2016
Auto components	5,189.74	5,075.91
	5,189.74	**5,075.91**

(Currency : ₹ in Lakhs except otherwise specified)

Note 20 : Changes in Inventories of Finished Goods, Work - In - Progress and Stock in Trade	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventories at the beginning of the year		
Finished goods	2.59	16.09
Traded goods	-	21.31
Work- in- progress	1,743.87	2,040.00
	1,746.46	**2,077.40**

Inventories at the end of the year		
Finished goods	13.91	2.59
Traded goods	0.84	-
Work- in- progress	**1,536.53**	**1,743.87**
	1,551.28	**1,746.46**
(Increase)/Decrease in inventory	**195.18**	**330.94**

a) Details of Inventory at the end of the year

Finished goods		
Metals parts	0.50	0.50
Fabrics	13.37	1.90
White Goods	0.04	0.19
	13.91	**2.59**
Traded goods		
Auto Components	0.84	-
	0.84	**-**
Work- in- Progress		
Metal Parts	1,231.98	1,315.58
Fabric	277.44	404.25
White Goods	27.11	24.04
	1,536.53	**1,743.87**

(Currency : ₹ in Lakhs except otherwise specified)

Note 21 : Employee Benefits Expense	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Wages & Other Benefits	1,907.56	1,731.00
Salaries & Other Benefits	3,605.59	3,580.31
Director's Remuneration	738.52	667.53
Contribution to Provident and other funds	346.43	305.03
Gratuity (Refer Note below)	120.55	99.81
Staff Welfare Expenses	574.18	565.77
	7,292.83	**6,949.45**

Note 21.1: Employee Benefits

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

(i) Defined Contribution Plans

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

Employer's Contribution to Provident Fund/ Pension Fund	300.04	268.58
Employer's Contribution to Employees State Insurance Scheme	45.41	35.52
Employer's Contribution to Employees Welfare Fund	0.98	0.93
	346.43	**305.03**

(ii) Defined Benefit plans

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

Leave Encashment/Compensated Absences: Short term compensated absences are recognised in the statement of profit and loss of ₹ 32.62 Lakhs (March 31, 2016: ₹ 33.71 Lakhs)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.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on March 31, 2017).

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

I. Changes in present value of Defined Benefit obligations :

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at the beginning of the year	732.56	229.94	605.30	178.83
Current Service Cost	102.88	47.27	93.24	68.78
Past Service Cost	-	23.98	-	-
Interest Cost	56.41	17.71	47.21	13.95
Actuarial (gain) / loss on obligations	12.80	(31.93)	2.57	(21.85)
Benefits paid	(24.22)	(34.38)	(15.77)	(9.77)
Defined Benefit obligation at the year end	**880.43**	**252.59**	**732.55**	**229.94**

II. Change in the Fair Value of Plan Assets

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning of the year	633.54	478.00
Expected return on plan assets	52.90	43.03
Actuarial gain/ (loss)	(1.37)	0.20
Employer Contribution	0.29	128.08
Benefits paid	(24.22)	(15.77)
Fair value of plant assets at the year end	**661.14**	**633.54**

III. Change in the Fair Value of assets and obligation

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of obligation	880.43	252.59	732.56	229.94
Fair value of plan assets	661.14	-	633.54	-
Amount recognized in balance sheet	**219.29**	**252.59**	**99.02**	**229.94**

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

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	102.88	47.27	93.24	68.78
Past Service Cost	-	23.97	-	-
Interest Cost	56.41	17.71	47.21	13.95
Expected Return on plan assets	(52.90)	-	(43.02)	-
Actuarial (gain)/ loss	14.17	(31.93)	2.37	(21.85)
Net Cost	**120.56**	**57.02**	**99.80**	**60.88**

V. Investment details of plan assets

Particulars	Gratuity (Funded)
Insured with LIC	100%

VI. Actuarial Assumptions

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Mortality Table (LIC)	2006-2008 (Ultimate)	2006-2008 (Ultimate)	2006-2008 (Ultimate)	2006-2008 (Ultimate)
Discount rate (per annum)	7.00%	7.00%	7.70%	7.70%
Expected rate of return on plan assets (per annum)	8.25%	0.00%	8.35%	0.00%
Rate of increase in Compensation levels	10.00%	10.00%	10.00%	10.00%

Note:

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

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

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan
Present value of defined benefit obligation (DBO)	880.43	252.59	732.55	229.94	605.30	178.83
Value of plan assets	661.14	-	633.53	-	478.01	-
Deficit / (Surplus)	(219.29)	(252.59)	(99.02)	(229.94)	(127.29)	(178.83)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan	Gratuity Scheme Funded Plan	Leave encashment Scheme Unfunded Plan
Present value of defined benefit obligation (DBO)	526.67	150.28	463.04	150.43
Value of plan assets	464.32	-	413.13	-
Deficit / (Surplus)	**(62.35)**	**(150.28)**	**(49.91)**	**(150.43)**

(Currency : ₹ in Lakhs except otherwise specified)

Note 22 : Finance Cost	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expense	638.70	1,179.86
Interest on delayed payment of taxes	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	33.33
	726.51	**1,213.19**

(Currency : ₹ in Lakhs except otherwise specified)

Note 23 : Other Expenses	For the year ended March 31, 2017	For the year ended March 31, 2016
Comsumable Tools	240.98	219.20
Power & Fuel	1,324.15	1,292.77
Hire Labour Charges	5,126.69	4,514.07
Manufacturing expenses	157.38	200.04
Rent, Rates & Taxes	336.26	348.54
Incremental effect of Excise Duty on Finished Goods	1.26	(1.50)
Repair & maintenance		
-Repair to Building	90.32	23.97
-Repair to Plant & Equipments*	398.80	429.15
-Repair Others	236.93	255.66
Exchange Fluctuation	-	82.60
Royalty	17.27	30.34
Research & Development expenses (Refer Details below)	986.33	847.78
Travelling & conveyance	778.95	745.31
Insurance	77.62	60.99
Communication cost	66.19	71.85
Director's sitting fee & commission	13.67	16.03
Legal& Professional expenses	457.21	222.29
CSR Expenses	15.00	10.00
Prior Period Items((Refer Details below)	3.67	2.20
Selling Expenses	14.07	140.15
Packing Material	161.35	137.57
Freight Outward	578.70	493.17
Auditor's Remuneration (Refer Details below)	28.37	18.54
Provision for diminution in value of investment	8.18	-
Miscellaneous expenses	1,128.09	1,044.83
	12,247.44	**11,205.55**

* Includes value of Stores and Spares consumed of ₹ 253.22 Lakhs (March 31, 2016 : ₹ 109.67 Lakhs). Refer point (c) below.

a) Payment to Auditor

As Auditor		
Audit fee	12.90	12.00
Tax Audit fee	3.76	3.50
In other capacity		
Certification Fees	2.15	2.00
Taxation matter	8.95	0.50
Reimbursement of expenses	0.61	0.54
	28.37	**18.54**

b) Expenditure incurred in Foreign Currency

Foreign Traveling	375.69	340.45
Royalty	17.27	30.34
Interest on Loan	121.97	153.25
Technical Know-how / Guidance Fee / Consultancy	258.23	62.15
Sales Promotion	6.73	-
Repair and Maintenance	-	44.52
Subscription & Fee	1.51	1.40
	781.40	**632.11**

c) Details of Indigenous and imported material consumed

Stores & Spares	**For the year ended March 31, 2017**	**%**	**For the year ended March 31, 2016**	**%**
Imported	21.00	8.29	25.20	22.98
Indigenous	232.22	91.71	84.47	77.02
	253.22	**100.00**	**109.67**	**100.00**

d) Research & Development Expenses

Research & Development expenses include:		
- Purchases	25.98	48.94
- Salary, Wages and other allowance	450.83	308.78
- Travelling Expenses	81.78	102.18
- Design, Development and other expenses	427.74	387.88
	986.33	**847.78**

e) Company's R&D Centre at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the year 2005-06 to 2016-17

Financial Year	Capital Expenses	Revenue Expenses
2007-08	0.00	189.59
2008-09	0.00	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	2034.23	679.24
2014-15	79.63	656.03

Financial Year	Capital Expenses	Revenue Expenses
2015-16	456.72	847.78
2016-17	217.47	986.33

f) Prior Period Expense

	For the year ended March 31, 2017	For the year ended March 31, 2016
Freight Outward (Truck Expenses)	-	1.42
Repair & Maintenance (Machinary)	-	0.79
Electricity Expenses	3.67	-
	3.67	**2.21**

(Currency : ₹ in Lakhs except otherwise specified)

Note 24: Exceptional Items

	For the year ended March 31, 2017	For the year ended March 31, 2016
Pre-Operative Expenses Written Off	738.87	357.43
Diminution in value of asset held for sale	176.40	-
	915.27	**357.43**

(Currency : ₹ in Lakhs except otherwise specified)

Note 25: Financial and Derivative Instruments

	No of Contracts	For the year ended March 31, 2017	No of Contracts	For the year ended March 31, 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)		1,289.01		714.95
Foreign currency exposure that are not hedged by derivative instruments (Buy)		1,594.09		1,316.52

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

	For the year ended March 31, 2017 (Foreign Currency)		For the year ended March 31, 2016 (Foreign Currency)	
Foreign Currency Exposure not hedged (Sell)	USD 18.17	1,185.44	USD 10.77	714.95
	EURO 0.75	52.26	-	-
	GBP 0.18	14.95	-	-
	AED 2.06	36.36	-	-
		1,289.01		714.95
Foreign Currency Exposure not hedged (Buy)	USD 24.51	1,589.46	USD 19.85	1,316.52
	EURO 0.06	4.48	-	-
	JPY 0.25	0.15	-	-
		1,594.09		1,316.52

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

	For the year ended March 31, 2017 (Foreign Currency)		For the year ended March 31, 2016 (Foreign Currency)	
Foreign Currency ECB				
- CTBC Loan US$ 6 ML	USD 28.00	1,815.48	USD 48.00	2,988.00
- CITI Bank US$ 2.0 ML	USD 2.67	172.90	USD 8.00	490.66
		1,988.38		**3,478.66**

Note 26: Segment Reporting

(i) Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) as notified under Companies (Accounts) Rules, 2014, the Company's primary business segment involves manufacturing and trading of auto component parts mainly with similar risks and returns. As the Company's business activities fall within a single primary business segment, i.e. sale of auto component parts, the disclosure requirements of AS-17 in this regard are not applicable.

(ii) The Company sells its products mostly within India and does not have any operations in economic environments with different risks and returns. Hence it is considered to be operating in single geographical segment.

Note 27 : Related Party Disclosures

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

Name of the Related Party	Relationship
a) Relan Industrial Finance Ltd. b) Bharat Seats Ltd.	Associate Companies
a) Toyo Sharda India (P) Ltd. b) Toyota Boshoku Relan India (P) Ltd.	Joint Venture Companies
a) Mr. Narinder Dev Relan (Co-Chairman) (upto June 02, 2016) b) Mrs. Sharda Relan (Whole Time Director) (w.e.f. August 10, 2016) c) Mr. Ajay Relan (Managing Director) d) Mr. Bireswar Mitra (Executive Director) e) Mr. Pradeep Rastogi (President - Legal & CFO) (upto August 10, 2016) f) Mr. Vivek Bhatia (CFO) (w.e.f. August 10, 2016) g) Mr. Nitin Vishnoi (Company Secretary)	Key Managerial Personnel
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 (Grandson of Whole Time Director) h) Mr. Pranav Relan (Grandson of Whole Time Director) i) Mr. Ayush Relan (Grandson 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.	Enterprises over which Key Managerial Personnel are able to Exercise significant influence

(Currency : ₹ in Lakhs except otherwise specified)

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.	-	36644.77	-	-	-
		(-)	(33578.88)	(-)	(-)	(-)
ii)	**Loans taken during the year**					
	- N.D. Relan	-	-	-	0.25	-
		(-)	(-)	(-)	(82.37)	(-)
	- Ajay Relan	-	-	-	100.00	-
		(-)	(-)	(-)	(146.04)	(-)
	- Rohit Relan	-	-	-	-	-
		(-)	(-)	(-)	(-)	(151.83)
	- Sharda Relan	-	-	-	50.00	-
		(-)	(-)	(-)	(85.21)	
iii)	**Loan repaid during the Year**					
	- N.D. Relan	-	-	-	25.78	-
		(-)	(-)	(-)	(1450.71)	(-)
	- Ajay Relan	-	-	-	1108.33	-
		(-)	(-)	(-)	(513.87)	(-)
	- Rohit Relan	-	-	-	-	268.20
		(-)	(-)	(-)	(-)	(466.32)
	- Sharda Relan	-	-	-	40.45	-
		(-)	(-)	(-)	(1502.94)	
iv)	**Interest paid on loans during the Year**					
	- N.D. Relan	-	-	-	0.43	-
		(-)	(-)	(-)	(155.07)	(-)
	- Ajay Relan	-	-	-	174.06	-
		(-)	(-)	(-)	(258.31)	(-)
	- Rohit Relan	-	-	-	-	200.24
		(-)	(-)	(-)	(-)	(270.25)
	- Sharda Relan	-	-	-	3.54	-
		(-)	(-)	(-)	(129.63)	(-)
v)	**Rent paid during the Year**					
	Sharda Auto Solutions Pvt. Ltd.	-	-	11.70	-	-
		(-)	(-)	(46.47)	(-)	(-)
	-Sharda Relan	-	-	-	57.45	-
		(-)	(-)	(-)	(68.34)	(-)
	-Sharda Enterprises	-	-	151.69	-	-
		(-)	(-)	(150.34)	(-)	(-)

S. No	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
vi)	**Remuneration paid**					
	- N.D. Relan	-	-	-	62.40	-
		(-)	(-)	(-)	(335.47)	(-)
	- Ajay Relan	-	-	-	396.73	-
		(-)	(-)	(-)	(309.05)	(-)
	-Sharda Relan	-	-	-	256.66	-
		(-)	(-)	(-)	(-)	(-)
	-B. Mitra	-	-	-	22.73	-
		(-)	(-)	(-)	(23.01)	(-)
vii)	**Salary Paid**					
	-Pradeep Rastogi	-	-	-	11.00	-
		(-)	(-)	(-)	(27.38)	(-)
	-Nitin Vishnoi	-	-	-	23.85	-
		(-)	(-)	(-)	(19.47)	(-)
	-Mala Relan	-	-	-	-	13.61
		(-)	(-)	(-)	(-)	(14.61)
	Vivek Bhatia	-	-	-	64.81	-
		(-)	(-)	(-)	(-)	
	-Aashim Relan	-	-	-	-	48.93
		(-)	(-)	(-)	(-)	(24.86)
viii)	**Dividend Paid**					
	- N.D. Relan	-	-	-	-	-
		(-)	(-)	(-)	(50.73)	(-)
	- Ajay Relan	-	-	-	241.73	-
		(-)	(-)	(-)	(88.36)	(-)
	- Nitin Vishnoi	-	-	-	0.13	-
		(-)	(-)	(-)	(0.11)	(-)
	- Sharda Relan	-	-	-	-	-
		(-)	(-)	(-)	(-)	(78.47)
	-Rohit Relan	-	-	-	-	53.60
		(-)	(-)	(-)	(-)	(48.24)
	-Aashim Relan	-	-	-	-	37.61
		(-)	(-)	(-)	(-)	(33.37)
	-Ayush Relan	-	-	-	-	13.00
		(-)	(-)	(-)	(-)	(11.70)
	-Pranav Relan	-	-	-	-	16.12
		(-)	(-)	(-)	(-)	(14.37)
	-Rishabh Relan	-	-	-	-	19.81
		(-)	(-)	(-)	(-)	(17.35)
	-Mala Relan	-	-	-	-	62.09

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
		(-)	(-)	(-)	(-)	(55.83)
	-Ritu Relan	-	-	-	-	92.82
		(-)	(-)	(-)	(-)	(83.53)
	-Aashita Relan	-	-	-	-	1.37
		(-)	(-)	(-)	(-)	(0.48)
	-Ajay Relan(HUF)	-	-	2.40	-	-
		(-)	(-)	(2.16)	(-)	(-)
	-ND Relan (HUF)	-	-	3.75	-	-
		(-)	(-)	(3.38)	(-)	(-)
	-Rohit Relan (HUF)	-	-	5.55	-	-
		(-)	(-)	(5.00)	(-)	(-)
ix)	**Sitting Fee Paid**					
	-Sharda Relan	-	-	-	-	0.80
		(-)	(-)	(-)	(-)	(3.60)
	-Rohit Relan	-	-	-	-	0.40
		(-)	(-)	(-)	(-)	(1.60)
x)	**Sale of Fixed Assets**					
	-Bharat Seats Limited	-	169.27	-	-	-
		(-)	(1689.09)	(-)	(-)	(-)
xi)	**Expenses paid**					
	- A.N.I Hospitality LLP	-	-	1.28	-	-
		(-)	(-)	(1.41)	(-)	(-)
	-Toyota Boshoku Relan India (P) Ltd.	57.50	-	-	-	-
		(60.42)	(-)	(-)	(-)	(-)
xii)	**Advance Received from Customers**					
	Bharat Seats Limited (Tooling Advance)	-	228.62		-	-
		(-)	(702.83)		(-)	(-)
xiii)	**Purchases during the year**					
	-Toyo Sharda India (P) Ltd.	527.13	-	-	-	-
		(295.79)	(-)	(-)	(-)	(-)
xiv)	**Advance Adjusted**					
	-Bharat Seats Limited	-	219.85	-	-	-
		(-)	(1,465.96)	(-)	(-)	(-)
xv)	**Dividend Received**					
	-Bharat Seats Limited	-	81.00	-	-	-
		(-)	(81.00)	(-)	(-)	(-)

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
xvi)	**Net Outstanding Balance payable as on 31.03.2017**					
	- N.D. Relan	-	-	-	-	-
		(-)	(-)	(-)	(93.51)	(-)
	- Ajay Relan	-	-	-	1,091.96	-
		(-)	(-)	(-)	(2,153.17)	(-)
	-B. Mitra	-	-	-	-	-
		(-)	(-)	(-)	(1.11)	(-)
	-Pradeep Rastogi	-	-	-	-	-
		(-)	(-)	(-)	(1.58)	(-)
	-Nitin Vishnoi	-	-	-	-	-
		(-)	(-)	(-)	(0.96)	(-)
	-Rohit Relan	-	-	-	-	1999.76
		(-)	(-)	(-)	(-)	(2272.87)
	Vivek Bhatia	-	-	-		(-)
		(-)	(-)	(-)		-
	-Sharda Relan	-	-	-	33.91	-
		(-)	(-)	(-)	(29.56)	(-)
	-Mala Relan	-	-	-	-	-
		(-)	(-)	(-)	(-)	(0.61)
	-Aashim Relan	-	-	-	-	-
		(-)	(-)	(-)	(-)	(1.08)
xvii)	**Balance Receivable as on 31.03.2017**					
	-Bharat Seats Limited	-	3312.76	-	-	-
		-	(3918.70)	(-)	(-)	(-)
xviii)	**Balance Payable as on 31.03.2017**					
	-Toyota Boshoku Relan India (P) Ltd.	99.00	-	-	-	-
		(46.49)	(-)	(-)	(-)	(-)
	-Toyo Sharda India (P) Ltd.	75.48	-	-	-	-
		(43.24)	(-)	(-)	(-)	(-)

Note 28 : Earnings Per Share

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

Particulars	As At March 31, 2017	As At March 31, 2016
Profit/(Loss) attributable to Equity Shareholders (₹) - (A)	5,597.42	3,422.40
Basic/Weighted average number of Equity shares outstanding during the year - (B)	59.46	59.46
Nominal Value of Equity Shares (₹)	10	10
Basic/Diluted earnings per share (₹) - (A/B)	**94.13**	**57.56**

Note 29 : Investments In Joint Ventures (Disclosure as per Accounting Standard - 27 on Financial Reporting of Interest in Joint Ventures)

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

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

(Currency : ₹ in Lakhs except otherwise specified)

S. No.	Name of Jointly Controlled entities *	Company's Share			
		As At March 31, 2017		For the year ended March 31, 2017	
		Assets	Liabilities	Income	Expenses
1	Toyota Boshoku Relan India Pvt. Ltd.	10.35	67.91	0.03	0.69
2	Toyo Sharda India Pvt. Ltd.	269.77	110.83	665.06	525.99

* The above disclosure for the year ended March 31, 2017 is based on unaudited financial statements of the above mentioned Joint Venture entities as the audit of the said Joint Venture entities is yet to be concluded. The management is not expecting significant changes in the disclosure relating to asset, liability, income and expenses for the year ended as March 31, 2017.

Notes :

i) Figures in brackets () relate to previous year

ii) Share of Contingent liabilities incurred in relation to interests in joint ventures as at March 31, 2017 : ₹ NIL (March 31, 2016 ₹ NIL)

iii) Share of Capital Commitments incurred in relation to interests in joint ventures as at March 31, 2017 : ₹ NIL (March 31, 2016 ₹ NIL)

Note 30: CSR Expenditure

(a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 64.54 Lakhs.

(b) Amount spent during the year: (Currency : ₹ in Lakhs except otherwise specified)

S. No.	Purpose for which expenditure incurred	Amount (₹) In Cash/Cheque	Remarks	Total	Amount yet to be Spent for FY 2016-17
(i)	Construction/acquisition of any asset	-	-	-	-
(ii)	On purposes other than (i) above	15.00	Payment to Hindu College	15.00	49.54

Note 31

The details of specified Bank notes (SBN) held and transacted during the period from 8th November 2016 to 30th December ,2016 as provided in the table below

(Amount in ₹)

Particulars	SBNs	Other Denominations Notes	Total
Closing cash in hand as on 8.11.2016	1,59,500*	264	1,59,764
(+) Permitted Receipts	-	3,10,000	3,10,000
(-) Permitted Payments	-	2,66,826	2,66,826
(-) Amount Deposited in banks	1,59,500*	-	1,59,500
Closing cash in hand as on 30.12.2016	-	43,438	43,438

* Out of ₹ 159,500, ₹ 147,500 represents Imprest in hand

Note 32

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

Note 33

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

Note 34

'Relying on the judgment of Honorable Supreme Court of India in **"Kedar Nath Yadav Vs. State of West Bengal & Ors."** the company has written off an amount of Rs. 7.38 Cr. incurred in respect of setting up of Singur facility and disclosed under the head 'Exceptional item'. Exceptional items for the current quarter ended March 31, 2017 includes 1.76 Cr. as diminuation in value of assets held for sale at Korin Unit for sale. Exceptional items for the year ended contains sum of both the above amounts.'

Note 35

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

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

Kishan N Parikh	**Sharda Relan**	**Ajay Relan**
Chairperson	Co-Chairperson	Managing Director
DIN:00453209	DIN:00252181	DIN:00257584
Vivek Bhatia	**Pradeep Rastogi**	**Nitin Vishnoi**
President & CFO	President	Company Secretary
M. No. 89846	(Legal & Strategic Solutions)	M. No. F3632

Place : New Delhi
Dated : 30th May, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Sharda Motor Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Sharda Motor Industries Limited (hereinafter referred to as "the Holding Company")** its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at **March 31, 2017**, and the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (**hereinafter referred to as** "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. The Board of Directors of the Company and of its associates and jointly controlled entities are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained and the representation received from the management for companies un-audited referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company, its associates and its jointly controlled as at March 31, 2017 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

This audit report have been revised to consolidate the financials of one associate company (Bharat Seats Limited) whose Indian GAAP figures were not available at the time of issuance of our earlier audit report dated May 30, 2017

Other Matters

(a) We have relied on Management certified financial statements in respect of one associate whose audited financials are based on IND AS whereas financials of holding company are based on Indian GAAP. Associate's Share of net profit ₹ 306.41 Lakhs as at March 31, 2017 is included in the accompanying consolidated financial statements.

(b) We did not audit the financial statements of two jointly controlled entities, whose financial statements reflect total assets of ₹ 1,884.87 Lakhs as at 31st March, 2017, total revenues of ₹ 663.67 Lakhs and net cash inflows amounting to ₹ 63.99 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements include net profit of ₹ 25.09 Lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associates, and our report in terms of

sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Company.

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

Report on Other Legal & Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law maintained by the Holding Company, its associates and jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and representation received from the management for the entities un-audited.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company , its associate and jointly controlled entities incorporated in India including relevant records relating to preparation of the consolidated financial statements as it appears from our examination of those books and records of the Holding Company and representation received from the management for the entities un-audited

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, on the basis of the representation received from the management in respect of two associate and two jointly controlled entities , none of the directors of the Holding Company, its associate and jointly controlled entities is disqualified as on March 31, 2017 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 Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A; and

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

i. On the basis of written representations received from the management of the Company, the Company does not have any pending litigations which would impact the consolidated financial position of the Company, its associates and jointly controlled entities. except for the cases which are disclosed under Note No.7 "Contingent Liabilities & Commitments" in the consolidated financial statements.

ii. Provision has been made in the consolidated financial statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts including derivative contracts- Refer Note No. 25 to the consolidated financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, associate companies and jointly controlled companies incorporated in India.

iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management - Refer Note No 28 to the consolidated financial statements.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number 083689

Place of Signature : New Delhi
Date : 17th July, 2017

Annexure- A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Sharda Motor Industries Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Sharda Motor Industries Limited** (hereinafter referred to as "the Holding Company") and its associate companies and jointly controlled companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its associate companies and jointly controlled companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Other Matters

Our aforesaid reports under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two associate companies and two jointly controlled companies, which are companies incorporated in India is based on the representation received from the management for such companies.

For S.R. Dinodia & Co. LLP
Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership No. 083689

Place of Signature : New Delhi
Date : 17th July, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
Equity and Liabilities			
Shareholders' Funds			
(a) Share Capital	3	594.63	594.63
(b) Reserves and Surplus	4	29,607.82	24,083.05
		30,202.45	**24,677.68**
Non-Current Liabilities			
(a) Long-Term Borrowings	5	1,118.42	1,906.55
(b) Deferred Tax Liabilities (Net)	6	911.56	1,585.18
(c) Long-Term Provisions	7	809.75	614.96
		2,839.73	**4,106.69**
Current Liabilities			
(a) Short-Term Borrowings	8	2,948.45	8,634.72
(b) Trade Payables	9.1		
Total outstanding dues of micro enterprises & small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		16,393.51	12,636.43
(c) Other Current Liabilities	9.2	4,382.48	3,957.65
(d) Short-Term Provisions	7	225.55	663.83
		23,949.99	**25,892.63**
Total		**56,992.17**	**54,677.00**
Assets			
Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	10.1	19,570.81	23,040.42
Intangible Assets	10.2	902.49	1,303.31
Capital Work-in-Progress	10.3	71.23	385.85
(b) Non-Current Investments	11.1	2,049.84	1,799.78
(c) Long-Term Loans and Advances	12	825.63	1,867.49
(d) Other Non-Current Assets	14.2	10.50	12.27
		23,430.50	**28,409.12**
Current Assets			
(a) Current investments	11.2	7,518.82	2,893.80
(b) Inventories	13	7,247.19	8,287.85
(c) Trade Receivables	14.1	10,951.13	10,203.31
(d) Cash and Other Bank Balances	15	6,071.82	3,720.35
(e) Short-Term Loans and Advances	12	1,607.10	836.80
(f) Other Current Assets	14.2	165.61	325.77
		33,561.67	**26,267.88**
Total		**56,992.17**	**54,677.00**
Summary of Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements

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

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

(Sandeep Dinodia)	**Kishan N Parikh**	**Sharda Relan**	**Ajay Relan**
Partner	Chairperson	Co-Chairperson	Managing Director
M.NO. 083689	DIN:00453209	DIN:00252181	DIN:00257584
	Vivek Bhatia	**Pradeep Rastogi**	**Nitin Vishnoi**
	President & CFO	President	Company Secretary
Place : New Delhi	M. No. 89846	(Legal & Strategic Solutions)	M. No. F3632
Dated : 17th July, 2017			

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2017

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue			
I. Revenue from Operations (Net)	16	1,04,925.41	92,732.41
II. Other Income	17	1,038.21	1,326.88
III. Total Revenue (I+II)		**1,05,963.62**	**94,059.29**
IV. Expenses:			
(a) Cost of Materials Consumed	18	66,562.78	59,464.93
(b) Purchase of Traded Goods	19	5,189.74	5,075.91
(c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	20	193.82	326.97
(d) Employee Benefits Expense	21	7,378.56	7,014.29
(e) Finance Costs	22	726.84	1,213.19
(f) Depreciation and Amortization Expense	10	5,005.66	4,432.43
(g) Other Expenses	23	12,305.58	11,208.82
Total expenses		**97,362.98**	**88,736.55**
V Profit before exceptional items & tax		**8,600.64**	**5,322.74**
VI Exceptional items	**24**	**915.27**	**359.25**
VII Profit before tax		7,685.37	4,963.50
VIII Tax expense:			
Current Tax		2,988.86	1,732.55
Less: MAT credit entitlement		(4.70)	-
Net Current Tax expense		2,984.16	1,732.55
Deferred Tax		(673.62)	(38.02)
Tax Adjustment For Earlier Years		(262.36)	(69.98)
IX Profit before Share in Profit/Loss of Associate		**5,637.19**	**3,338.95**
Add:- Current Year Profit from Associates		331.50	191.84
Profit after tax / Profit for the Year		**5,968.69**	**3,530.79**
X Earnings Per Equity Share:	27		
(1) Basic (In Rupees)		100.38	59.38
(2) Diluted (In Rupees)		100.38	59.38
Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements

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

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

(Sandeep Dinodia)
Partner
M.NO. 083689

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

Pradeep Rastogi
President
(Legal & Strategic Solutions)

Nitin Vishnoi
Company Secretary
M. No. F3632

Place : New Delhi
Dated : 17th July, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Currency : ₹ in Lakhs except otherwise specified)

	PARTICULARS	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
A	**Cash Flow From Operating Activities**			
	Net Profit before taxation & Extraordinary items		**7,685.37**	**4,963.50**
	Adjustment for:			
	Depreciation written off		5,005.66	4,432.43
	Interest Income		(382.71)	(304.64)
	Finance Cost		686.55	1,213.19
	Profit on Sale of Fixed Assets (Net)		(233.04)	(602.62)
	Profit on Sale of Investments (Net)		(168.60)	(14.69)
	Amount written off (net)		10.27	(32.40)
	Pre-Operative Expenses Written Off		738.87	359.25
	Diminution in value of asset held for sale		176.40	-
	Tax adjustment of earlier year		262.36	69.98
	Unrealised Gain/ Loss on Reinstatement		9.54	(13.87)
	Operating profit before Working Capital changes		**13,790.67**	**10,070.13**
	Adjustment for:			
	Decrease / (Increase) in Trade Receivables		(747.82)	(297.09)
	Decrease / (Increase) in Inventories		1,040.66	381.79
	Decrease / (Increase) in loans and advances		2,270.21	257.39
	Decrease / (Increase) in Other Receivables		(173.88)	(940.01)
	Increase / (Decrease) in Trade Payable		3,782.79	660.22
	Increase / (Decrease) in Other Payables		424.83	117.65
	Increase / (Decrease) in Provisions		(2,780.34)	87.14
	Cash Generated from operation		**17,607.12**	**10,337.21**
	Direct Taxes paid (Net of Income Tax Refund)		(1,998.65)	(1,143.65)
	Net Cash flow from Operating Activities (A)		**15,608.47**	**9,193.55**
B	**Cash Flow From Investing Activities**			
	Sale of Fixed Assets		822.26	2,952.94
	Purchase of Fixed Assets/Technical know-how		(1,989.32)	(3,295.40)
	Changes in Investment		(4,371.59)	(2,880.13)
	Interest Received		382.72	304.64
	Bank Deposit made		(2,007.20)	(3,401.00)
	Creditors for Capital Expenditure		-	181.90
	Net Cash used in Investing Activities (B)		**(7,163.13)**	**(6,137.04)**
C	**Cash Flow From Financing Activities**			
	Proceeds from Issue of Shares		-	75.00
	Proceeds from Borrowings (Net)		(6,519.93)	(2,308.81)
	Finance Cost		(686.55)	(1,213.19)
	Dividend paid (including Corporate Dividend Tax)		(894.60)	(805.50)
	Net Cash used in Financing Activities (C)		**(8,101.08)**	**(4,252.51)**
	Net Changes In Cash & Cash Equivalents (A+B+C)		**344.26**	**(1,196.00)**
	Cash & Cash Equivalents-Opening Balances		**319.35**	**1,515.35**
	Cash & Cash Equivalents-Closing Balances		**663.61**	**319.35**
	Cash & Cash Equivalents include :			
	Cash in hand		105.41	0.82
	Balances with Scheduled Banks			
	- In Current Account		308.20	118.53
	- In Deposit Account		250.00	200.00
			663.61	**319.35**

Note:

1. Figure in brackets represent outflows.
2. Previous year figures have been regrouped/restated wherever necessary.

Significant Accounting Policies 2

The accompanying notes are integral part of the financial statements.

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

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

(Sandeep Dinodia)	**Kishan N Parikh**	**Sharda Relan**	**Ajay Relan**
Partner	Chairperson	Co-Chairperson	Managing Director
M.NO. 083689	DIN:00453209	DIN:00252181	DIN:00257584
	Vivek Bhatia	**Pradeep Rastogi**	**Nitin Vishnoi**
	President & CFO	President	Company Secretary
Place : New Delhi	M. No. 89846	(Legal & Strategic Solutions)	M. No. F3632
Dated : 17th July, 2017			

Notes to consolidated financial statements for the year ended on March 31, 2017

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

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

Note 2.1: Significant Accounting Policies

(a) Use of Estimates

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

(b) Basis of Consolidation

i) The financial statements of the company and its share in the Jointly controlled entities have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with AS-27: Financial Reporting of interests in Joint Ventures.

ii) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's individual financial statements. Inconsistency, if any, between the accounting policies of the Jointly Controlled Entities have been disclosed in the notes to accounts.

iii) The difference of the cost to the company of its investment in jointly controlled entities over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.

iv) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the parent company for its individual financial statements.

v) The Investments in associates have been revalued using the equity method of accounting in accorance with AS-23, Accounting for Investments in Associates in Consolidated Financial Statements whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.

(c) Current-non-current classification

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

Assets

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

a. it is expected to be realized in,or is intended for sale or consumption in, the company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date;

Liabilities

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

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

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

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification"

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

Operating cycle

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

(d) Fixed Assets

I) Tangible Assets

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

Gain or loss arising on account of sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of assets and all other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statements of profit and loss for the period during which such expenses are incurred.

II) Intangible Assets

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

(e) (I) Depreciation on tangible fixed assets

Depreciation is provided using the written down value method as per the useful life specified in Part "C" of Schedule II of the Companies Act,2013 and after retaining the residual value of 5% of the original cost of the assets as specified in the said Schedule. The Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined seperately. The identification of significant components is matter of technical judgement and is decided on case to case basis; wherever applicable. Further as per Note No.7 of Part "C" of the said Schedule the carrying amount of the assets has been depreciated as follow:

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

b) However, some assets has been depreciated over useful life different from life specified in Schedule II of Companies Act, 2013 based on the technical estimates as details given below:-

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

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

II) Amortisation of Intangible Assets

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

(f) Inventories

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

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

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

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

(g) Revenue Recognition

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

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

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

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

(h) Purchases

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

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

(i) Foreign Exchange Transactions

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

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

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

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

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

(j) Borrowing Costs

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

(k) Investments

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

b) Non-Current Investments are carried at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the Investments.

(l) Expenditure on Research and Development

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

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

(m) Employee Benefits

a) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.

b) The Company has Defined Contribution plans for post employment benefits' namely Provident Fund and Employee State Insurance Scheme. The Company's contributions in the above plans are charged to revenue every year.

c) The Company has Defined benefits plans namely Leave Encashment / Compensated Absence and Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each Financial Year by using 'Projected Unit Credit' (PUC) method. However, the company through its Trust has taken a policy with 'Life Insurance Corporation of India' to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

d) Provision for Leave Encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each Financial Year by using 'Projected Unit Credit' (PUC) method.

e) Actuarial gains / losses are immediately taken to Statement of Profit and Loss.

f) Terminal benefits are recognized as an expense immediately.

Other Long Term Benefits

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

(n) Taxes on Income

(a) Current Tax

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. The provisions of current tax is made after considering impact if any, of provisions contained in Income Computation Disclosure Standards (ICDS) issued by CBDT vide Notification S.O. 892(E) dated March 31, 2016.

(b) Deferred Tax

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

(c) Minimum Alternate Tax

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

(o) Provisions, Contingent Liabilities and Contingent Assets

a) Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.

b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

c) Contingent Assets are neither recognized nor disclosed in the financial statements

(p) Leases

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

(q) Earnings Per Share

a) In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

b) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

c) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed as converted at the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

(r) Cash Flow

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

(s) Cash and cash equivalents

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

(t) Warranty

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

(u) Impairment of Assets

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

(v) Segment Reporting

(a) Based on the guiding principles given in Accounting Standard on “Segment Reporting” (AS-17) as notified under Companies (Accounts) Rules, 2014, the Company’s primary business segment involves manufacturing and trading of auto component parts mainly with similar risks and returns. As the Company’s business activities fall within a single primary business segment, i.e. sale of auto component parts, the disclosure requirements of AS-17 in this regard are not applicable.

(b) The Company sells its products mostly within India and does not have any operations in economic environments with different risks and returns. Hence it is considered to be operating in single geographical segment.

(Currency : ₹ in Lakhs except otherwise specified)

Note 3 : Share Capital	As At March 31, 2017	As At March 31, 2016
Authorised Shares Capital		
5,00,00,000 (March 31, 2016 : 5,00,00,000) Equity Shares of ₹ 10/- each	5,000.00	5,000.00
	5,000.00	**5,000.00**
Issued, Subscribed & Paid-up Shares		
Equity Share Capital		
59,46,326 (March 31, 2016: 59,46,326) Equity Shares of ₹ 10/- each fully paid up	594.63	594.63
	594.63	**594.63**

a) Reconciliation Statement of Equity Share Capital

Equity Shares	March 31, 2017		March 31, 2016	
	No of shares.	Amount	No of shares.	Amount
At the beginning of the year	59,46,326	594.63	59,46,326	594.63
Add:- Issued during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Outstanding at the end of the year	**59,46,326**	**594.63**	**59,46,326**	**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, 2016: ₹ 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 ended March 31, 2017, the amount of per share interim dividend recognized as distributions to Equity Shareholders was ₹ 6.25 per share (March 31, 2016: ₹ 6.25 per share)

c) Details of Shareholder holding more than 5 percent Equity Shares in the Company

	March 31, 2017		March 31, 2016	
	No of shares.	% of holding	No of shares.	% of holding
N.D Relan	-	-	4,50,960	7.58
Sharda Relan	-	-	6,97,520	11.73
Ajay Relan	19,33,858	32.52	7,85,378	13.21
Rohit Relan	4,28,818	7.21	4,28,818	7.21
Ritu Relan	7,42,520	12.49	7,42,520	12.49
Mala Relan	4,97,252	8.36	4,96,260	8.35
Aashim Relan	3,00,900	5.06	3,00,900	5.06

(Currency : ₹ in Lakhs except otherwise specified)

Note 4 : Reserves And Surplus		As At March 31, 2017	As At March 31, 2016
Capital Reserve			
Balance at the beginning of the year		0.20	0.20
Add : Addition during the year		-	-
Less: Utilised during the year		-	-
Balance at the end of the year	**(A)**	**0.20**	**0.20**
General Reserve			
Balance at the beginning of the year		21,025.68	18,425.68
Add : Addition during the year		-	2,600.00
Less: Utilised during the year		-	-
Balance at the end of the year	**(B)**	**21,025.68**	**21,025.68**
Profit & Loss Account			
Balance at the beginning of the year		3,057.17	3,067.30
Add:- Profit for the year		5,968.69	3,530.79
Add:- Profit for previous financial year		3.39	-
Add:- Adjustmsent for Pre Acquisition Profit/(Loss) of Joint ventur entities		-	(46.30)
		9,029.25	**6,551.79**
Less:- Appropriations:			
- Interim Dividend (Dividend amount per share ₹ 6.25 per share (March 31, 2016: ₹ 6.25 per share)		371.64	371.64
- Proposed Dividend on Equity Shares (Dividend amount per share ₹ 6.25 per share (March 31, 2016: ₹ 6.25 per share)		-	371.64
- Dividend Distribution Tax on Interim Dividend		75.67	75.67
- Dividend Distribution Tax on Proposed Dividend		-	75.67
- Transfer to General Reserves		-	2,600.00
Total Appropriation		**447.31**	**3,494.62**
Balance at the end of the year	**(C)**	**8,581.94**	**3,057.17**
Total Reserves & Surplus	**(A+B+C)**	**29,607.82**	**24,083.05**

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Long Term Borrowings	Non-Current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Term Loans from Banks (Secured)				
External Commercial Borrowing	-	1,906.55	1,988.38	1,572.11
(Refer note 'b' below)				
From Related parties (Unsecured)				
Directors	1,118.42	-	-	-
	1,118.42	**1,906.55**	**1,988.38**	**1,572.11**
Amount disclosed under 'Other Current Liabilities' (Note no. 9.2)	-	-	1,988.38	1,572.11
	1,118.42	**1,906.55**	**-**	**-**

Notes:

(a) The above amount includes

- Secured Borrowings	-	1,906.55	1,988.38	1,572.11
- Unsecured Borrowings	1,118.42	-	-	-

(b) Terms attached to Secured Loans

The ECB loan consists of 2 loans:

(i) First loan of US $ 2.0 Million was taken in August, 2012 and repayable in 15 quarterly installments of US$ 133,333 commencing from 26.01.2014. The loan carries an interest rate of 8.45% p.a.

- Repayment Profile: The repayment profile of the term loan outstanding as at March 31, 2017 is as follows:

Installment	Due Date	Amount Repayable in US$	Amount Repayable in ₹
1	26-04-2017	1,33,333.33	86,45,157
2	26-07-2017	1,33,333.33	86,45,157

- Details of Security: 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 $ 6.0 Million was taken in January, 2014 and repayable in six half yearly installments. The Loan carries an interest rate of 7.75% p.a. The repayment schedule of the said loan is as under:

- Repayment Profile: The repayment profile of the term loan outstanding as at March 31, 2017 is as follows:

Installment	Due Date	Amount Repayable in US$	Amount Repayable in ₹
1	31-07-2017	14,00,000.00	9,07,74,040
2	30-01-2018	14,00,000.00	9,07,74,040

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

(iii) Unsecured loan from director is repayable upon call by the lender at anytime by giving an advance notice in writting of atleast one year to the borrower. The loan carries an interest rate of 8.65% - 10.60% p.a.

(Currency : ₹ in Lakhs except otherwise specified)

Note 6 : Deferred Tax Liabilities (Net)		As At March 31, 2017	As At March 31, 2016
Deferred Tax Liabilities			
Fixed Assets: Impact of difference between Tax Depreciation and depreciation/ amortization charged for the financial reporting		1,211.71	1,879.70
Gross Deferred Tax Liabilities	**(A)**	**1,211.71**	**1,879.70**
Deferred Tax Assets			
Impact of expenditure charged to the Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis		296.25	294.31
Provision for Lease Equalization		1.07	0.21
Provision for Investment		2.83	-
Gross Deferred Tax Assets	**(B)**	**300.15**	**294.52**
Deferred Tax (Asset)/ Liability (Net)	**(A-B)**	**911.56**	**1,585.18**

(Currency : ₹ in Lakhs except otherwise specified)

Note 7 : Provisions	Long Term		Short Term	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Provision for Employee Benefits				
Leave Encashment	171.46	148.42	83.21	82.68
Gratuity	215.77	85.86	5.78	1.22
Others Provisions				
Provision for warranty claim (Refer Note no. 7.1)	419.43	338.34	136.56	132.61
Provision for Lease Equalization	3.09	0.61	-	-
Others	-	41.73	-	-
Proposed dividend	-	-	-	371.65
Tax on proposed dividend	-	-	-	75.67
	809.75	**614.96**	**225.55**	**663.83**

Note 7.1 : Disclosure required by AS-29 (Provisions, Contingent Assets and Contingent Liabilities)	As At March 31, 2017	As At March 31, 2016
Provision for warranty claim		
Balance at the beginning of the year	470.95	383.82
Provision made during the year	273.12	265.22
Amount used/reversed/paid during the year	188.08	178.09
Balance at the end of the year	**555.99**	**470.95**

Note 7.2 Contingent Liabilities	As At March 31, 2017	As At March 31, 2016
Contingent liabilities		
(a) Claims against the company not acknowledged as debts		
i) Disputed State Tax Matters	65.90	0.90
ii) Disputed Excise Matters	12.71	5.44
iii) Disputed Service Tax Matters	8.09	11.07
iv) Disputed Income Tax Matters	164.31	102.33
v) Disputed Central Excise Matters	440.00	440.00
vi) Dispute with vendor	24.24	4.80
(b) Other money for which the company is contingently liable*	1,265.00	1,272.09
	1,980.25	**1,836.63**

*Foreign Letters of Credit of ₹ 1265.00 Lakhs (March 31, 2016: ₹ 1,272.09 Lakhs)

(Currency : ₹ in Lakhs except otherwise specified)

Note 8 : Short Term Borrowings	As At March 31, 2017	As At March 31, 2016
From Banks-Secured		
Cash credit (Refer note 'a' below)	-	2,550.21
Other (Refer note 'b' below)	817.79	1,500.00
Bills Discounted (Refer note 'c' below)	144.04	186.97
Unsecured Borrowing		
From Related parties (Refer note 'd' below)	1,986.62	4,397.54
	2,948.45	**8,634.72**

a) Cash Credit

(i) Secured by charge on inventories and books debts

(ii) Equitable mortgage of leasehold land and building, situated at Plot No.4, Sector 31, Greater Noida Industrial Development Area, U.P., and plant & Machinery and other assets.

(iii) Rate of Interest of Cash Credit : 8.8% - 10.60%

b) Others

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

c) Bills Discounted

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

d) Loans From Related Parties

Loans from Related Parties are payable on demand. The loan is taken on an interest rate of 8.65% - 10.60%.

(Currency : ₹ in Lakhs except otherwise specified)

Note 9 : Other Current Liabilities	As At March 31, 2017	As At March 31, 2016
9.1 : Trade Payables		
- Due to Micro and Small Enterprises	-	-
- Amount due to Others	16,393.51	12,636.43
	16,393.51	**12,636.43**
9.2 : Other Liabilities:		
Current maturities of long-term borrowings (Note No. 5)	1,988.38	1,572.11
Interest Accrued but not due on borrowings	26.05	49.22
Interest Accrued and due on borrowings	20.58	52.02
Unclaimed dividend	45.63	45.91
Statutory dues	1,049.69	1,156.97
Others	939.17	589.42
Creditors for Capital Expenditure	312.98	492.00
	4,382.48	**3,957.65**
	20,775.99	**16,594.07**

a) As per Schedule III of Companies Act, 2013 & notification number GSR 719 (E) dated November 16, 2007, the amount due as of March 31, 2017 to micro and small enterprises as defined in Industries (Development and Regulation) Act, 1951, is as given below :

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

	As At March 31, 2017	As At March 31, 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
(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
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	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

c) 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.

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

Notes to consolidated financial statement for the year ended on March 31, 2017

Note 10 : Fixed Assets

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As At April 01, 2016	Addition	Sale / Adjustment	As At March 31, 2017	As At April 01, 2016	Addition	Sale / Adjustment	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
10.1 - Tangible Assets										
Land										
- Lease Hold	838.54	-	111.00	727.54	84.45	9.03	-	93.48	634.06	754.09
- Free Hold	1,410.09	-	-	1,410.09	6.78	-	-	6.78	1,403.31	1,403.31
Building	9,834.31	9.02	-	9,843.33	4,281.77	524.38	-	4,806.15	5,037.18	5,552.54
Plant & Machinery (Refer note below)	30,843.58	1,637.05	2,775.44	29,705.19	17,286.24	3,525.38	2,008.31	18,803.31	10,901.88	13,557.34
Office Equipment	746.02	44.70	0.92	789.81	550.38	69.35	0.92	618.81	170.99	195.64
Computer	538.02	40.19	-	578.21	476.82	31.35	-	508.17	70.04	61.20
Furniture & Fixture	338.82	9.18	1.48	346.52	264.54	24.81	1.48	287.87	58.65	74.28
Electric Fitting (Refer note below)	2,994.26	0.00	74.92	2,919.33	1,802.85	223.21	62.76	1,963.30	956.04	1,191.41
Vehicle	1,285.41	174.32	102.23	1,357.50	1,034.80	80.93	96.89	1,018.84	338.66	250.60
Sub-Total (10.1)	**48,829.05**	**1,914.46**	**3,065.99**	**47,677.52**	**25,788.63**	**4,488.44**	**2,170.36**	**28,106.71**	**19,570.81**	**23,040.42**
10.2 - Intangible Assets										
Software Development	486.13	116.40	-	602.53	446.55	29.91	-	476.46	126.07	39.58
Technical Knowhow & Guidance	5,683.55	-	-	5,683.55	4,419.82	487.31	-	4,907.13	776.42	1,263.73
Sub-Total (10.2)	**6,169.68**	**116.40**	**-**	**6,286.08**	**4,866.37**	**517.22**	**-**	**5,383.59**	**902.49**	**1,303.31**
10.3 - Capital Work In Progress (Refer Note 10.4)	385.85	11.47	326.09	71.23	-	-	-	-	71.23	385.85
Sub-Total (10.3)	**385.85**	**11.47**	**326.09**	**71.23**	**-**	**-**	**-**	**-**	**71.23**	**385.85**
Grand Total (10.1+10.2+10.3)	**55,384.58**	**2,042.33**	**3,392.08**	**54,034.83**	**30,655.00**	**5,005.66**	**2,170.36**	**33,490.30**	**20,544.53**	**24,729.58**
For the year ended march 31, 2016	**54,599.36**	**4,017.34**	**3,232.12**	**55,384.58**	**26,691.04**	**4,432.43**	**468.47**	**30,655.00**	**24,729.58**	**27,908.32**

Note:
Sales/Adjustment includes following on account of assets not in use and held for sale.

(Amount in ₹)

	Gross Block	Depreciation
Plant & Machinery	18,99,86,672	17,16,64,179
Electrical Fittings	74,54,067	62,37,922
Total	**19,74,40,739**	**17,79,02,102**

(Currency : ₹ in Lakhs except otherwise specified)

Note 10.4: Pre Operative Expenditure And Capital Work In Progress	As At March 31, 2017	As At March 31, 2016
Building	58.47	237.57
Plant & Machinery	12.76	54.32
Electrical Fittings	-	93.96
	71.23	**385.85**

Note 10.5: Leases

i) The Company has taken Factory Plot on non cancellable lease from M/s. Om Exports Pvt Ltd. Lease Agreement was renewed on 20.01.2016 and is valid till 19.01.2021. Lease Rental (including transfer to lease equalisation reserve) amounting to ₹ 44.29 Lakhs (March 31, 2016: ₹ 39.38 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	43.05	44.29
Later than 1 year but not later than 5 years	86.58	168.34
Total	**129.63**	**212.63**

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

ii) The Company has taken Factory Plot on non cancellable lease from M/s Sharda Enterprises. Lease Agreement was renewed on 01.07.2015 and is valid till 30.06.2020. Lease Rental amounting to ₹ 48.24 Lakhs (March 31, 2016: ₹ 48.08 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	48.24	48.00
Later than 1 year but not later than 5 years	108.54	192.00
Total	**156.78**	**240.00**

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

iii) The Company had taken a Guest House on non cancellable lease from Smt. Sharda Relan. Lease Agreement was valid till 31.01.2017. Lease Rental amounting to ₹ 50.25 Lakhs (March 31, 2016: ₹ 60.10 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	-	60.00
Later than 1 year but not later than 5 years	-	40.00
Total	**-**	**100.00**

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Guest House at Delhi	31.01.2017	No	Yes	No

iv) The Company has taken a Factory Premises on non cancellable lease from M/s. Sharda Enterprises. Lease Agreement is valid till 17.10.2017. Lease Rental amounting to ₹ 84.42 Lakhs (March 31, 2016: ₹ 84.14 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	45.73	45.50
Later than 1 year but not later than 5 years	-	-
Total	**45.73**	**45.50**

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

v) The Company has taken a Factory Premises on non cancellable lease from M/s. Mahindra Vehicle Manufacturers Ltd. Lease Agreement is valid till 22.02.2031. Lease Rental amounting to ₹ 37.86 Lakhs (March 31, 2016: ₹ 37.68 Lakhs) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	37.80	37.68
Later than 1 year but not later than 5 years	151.20	150.72
More than 5 years	355.95	393.75
Total	**544.95**	**582.15**

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

vi) The Company had taken a Factory Premises on non cancellable lease from M/s. Sharda Auto Solutions Pvt Ltd . Lease Agreement was valid till 30.06.2016. Lease Rental amounting to ₹ 10.25 Lakhs (March 31, 2016: ₹ 43.74) has been debited to Statement of Profit and Loss. Future minimum lease rentals as on March 31, 2017 are as under:

Particulars	As At March 31, 2017	As At March 31, 2016
Not Later Than 1 year	-	7.20
Later than 1 year but not later than 5 years	-	-
Total	**-**	**7.20**

Property Taken on Lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Factory Premises at Chennai	30.06.2016	No	Yes	No

(Currency : ₹ in Lakhs except otherwise specified)

Note 11 : Investments		As At March 31, 2017	As At March 31, 2016
Note 11.1: Non Current Investments			
Trade Investments (Valued at cost unless otherwise stated)			
Quoted Equity Instruments			
Investment in Associates			
9,000,000 Equity shares (March 31, 2016: 9,000,000) of ₹ 2/- each , fully paid up of Bharat Seats Ltd.		90.00	90.00
{including 4,500,000 Bonus Shares }			
Add: Share in reserve considered till the last Balance Sheet Date		1,496.35	1,394.22
Add: Share in Profit for current year		306.41	183.13
Less:- Dividend Received		81.00	81.00
*including Goodwill of Rs. 33.63 Lakhs arising on acquisition of associate			
Total Trade Investments	**(A)**	**1,811.76**	**1,586.35**

Non Trade Investments (Valued at cost unless otherwise stated)			
Unquoted Equity Instruments			
Investment in Associates			
490,000 Equity shares (March 31, 2016: 490,000) of ₹ 10 each, fully paid up of Relan Industrial Finance Ltd.		212.42	49.00
Add:- Share in Reserve & Surplus upto 31.03.2016		-	163.42
Add:- Share in current year Profit		25.09	-
Other			
Investment in Trust		-	1.01
5,700 Equity shares (March 31, 2016: Nil) of ₹ 10 each, fully paid up of Windage Power Company Private Limited		0.57	-
Total Non Trade Investments	**(B)**	**238.08**	**213.43**
Total Non current Investment	**(A+B)**	**2,049.84**	**1,799.78**
Aggregate Book Value of Quoted Investments		90.00	90.00
Aggregate Market Value of Quoted Investments		6,430.50	2,641.50
Aggregate Value of Unquoted Investments		238.08	50.01

Note 11.2: Current Investments

Non-Trade Investments

Investment in Mutual Fund		
- Nil (March 31,2016 : 4,042.97) units of UTI -Liquid Cash Plan - Institutional Growth	-	100.02
- Nil (March 31,2016: 21,726.73) units of Reliance Liquid Fund - Treasury Plan -Growth Option	-	800.00
- Nil (March 31,2016: 49,971.94) units of Reliance Liquid Fund - Cash Plan - Growth Option	-	1,193.78
- Nil (March 31,2016: 33,713.33) units of SBI Premier Liquid Fund - Regular Plan - Growth	-	800.00
- 6,217,272.97 (March 31,2016: Nil) units of Reliance Short Term Fund (Growth)	1,800.04	-
- 3,776,031.01 units (March 31, 2016 : Nil) of ICICI Prudential Short Term plan Regular (Growth)	1,200.00	-
- 1,005,112.67 units (March 31, 2016 : Nil) of BSL-Dynamic Bond Fund-Retail-Regular Growth Plan	291.78	-
- 408,105.3 units (March 31, 2016 : Nil) of Birla Sunlife Short Term Fund (Growth)	250.00	-
- 6,544,040.06 units (March 31, 2016 : Nil) of SBI Short Term Debt Fund-Regular Plan-Growth	1,227.00	-
- 726,030.12 units (March 31, 2016 : Nil) of SBI Magnum Balanced Fund-Reg Growth	750.00	-
- 1,639,387.26 units (March 31, 2016 : Nil) of Kotak Bond - Short Term Plan - Regular Plan (Growth)	1,250.00	-
- 1,649,027.57 units (March 31, 2016 : Nil) of Tata Short Term Bond Fund - Regular Plan (Growth)	500.00	-
- 223,015.17 units (March 31, 2016 : Nil) of ICICI Pru Balanced Reg Plan (Growth)	250.00	-
	7,518.82	**2,893.80**
Aggregate Book Value of Mutual Fund	**7,518.82**	**2,893.80**
Aggregate Market Value of Mutual Fund	**7,796.54**	**2,897.36**

(Currency : ₹ in Lakhs except otherwise specified)

Note 12 : Loans And Advances	Non-Current		Current	
(Unsecured considered good unless otherwise stated)	**March 31, 2017**	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Capital Advances	496.28	726.04	-	-
(Unsecured,considered good)				
Security Deposits	223.93	197.58	-	-
(Unsecured,considered good)				
Advances Recoverable in cash or in kind	-	-	1,224.02	323.13
(Unsecured, considered good)				
Other Loans & Advances (Unsecured, considered good)				
MAT Credit Entitlement	17.15	542.37	-	-
Advance tax (Net of Provision : ₹ 3,315.48 Lakhs (March 31, 2016: ₹ 2,886.05 Lakhs))	88.27	379.62	-	-
Prepaid Expenses	-	21.88	213.28	196.99
Advance to Vendors				131.92
Balance with Revenue Authorities	-	-	169.80	184.76
	825.63	**1,867.49**	**1,607.10**	**836.80**

Note: Detail of Capital commitment as at March 31, 2017 is as follows:

Capital Commitments	As At March 31, 2017	As At March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts, net of advance of Rs 496.28 lakh	513.67	481.55
	513.67	**481.55**

(Currency : ₹ in Lakhs except otherwise specified)

Note 13 : Inventories	As At	As At
(As taken, valued and certified by the management)	**March 31, 2017**	**March 31, 2016**
Raw materials	5,469.45	6,101.23
Consumable stores and Tools	19.98	310.30
Goods in Transit-Raw Material	141.72	125.89
Work In Progress	1,536.53	1,743.87
Finished Goods	19.90	6.56
Traded Goods	0.84	-
Machinery Spares	58.77	-
	7,247.19	**8,287.85**

(Currency : ₹ in Lakhs except otherwise specified)

Note 14 : Trade Receivables and Other Assets	Non Current		Current	
	March 31, 2017	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Note 14.1: Trade Receivables				
(Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding 6 months from the date they are due for payment				
Unsecured, Considered good	-	-	131.75	31.04
Other Receivables				
Unsecured, Considered good	-	-	10,819.38	10,172.27
	-	**-**	**10,951.13**	**10,203.31**

Note 14.2: Other assets				
(Unsecured, considered good unless stated otherwise)				
Preliminary Exps.		7.27		
Other Receivables	5.45	-	-	216.82
Interest Accrued but not due on Fixed deposits with bank	0.05	-	146.62	108.95
Non Current Bank Balances (Note no. 15)	5.00	5.00	-	-
Assets held for Sale	-	-	18.99	-
	10.50	**12.27**	**165.61**	**325.77**
	10.50	**12.27**	**11,116.74**	**10,529.08**

(Currency : ₹ in Lakhs except otherwise specified)

Note 15 : Cash And Bank Balances	**Non Current**		**Current**	
	March 31, 2017	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Cash & Cash Equivalent				
Balances with Banks:-				
On Current Account	-	-	262.58	72.62
Unpaid Dividend Account	-	-	45.63	45.91
Deposit with original maturity for less than 3 months	-	-	250.00	200.00
Cash on hand	-	-		
Domestic Currency	-	-	0.82	0.82
Foreign Currency	-	-	104.59	-
	-	**-**	**663.62**	**319.35**
Other Bank Balances				
Term Deposit with original maturity of more than 3 months but less than 12 months	-	-	5,408.20	3,401.00
Term Deposit with original maturity of more than 12 Months (Refer note below)	5.00	5.00	-	-
Less: Disclosed under Other Non-current assets (Refer Note:14.2)	(5.00)	(5.00)	-	-
	-	**-**	**5,408.20**	**3,401.00**
	-	**-**	**6,071.82**	**3,720.35**

Margin Money Deposit is Pledged with Canara Bank amounting to Nil (March 31, 2016: ₹ 5.00 Lakhs)

(Currency : ₹ in Lakhs except otherwise specified)

Note 16 : Revenue From Operations	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Revenue from - Sale of Product		
-Finished goods	1,39,356.35	1,23,820.28
-Traded goods	6,146.91	5,941.98
	1,45,503.26	**1,29,762.26**
Less: Inter Unit Transfer	22,743.59	20,170.76
Net Revenue from sale of Product	1,22,759.67	1,09,591.50
Revenue from -Sale of Services	2.10	0.83
Other Operating Revenues	597.11	844.47
Less: Excise duty	18,433.47	17,704.39
Total	**1,04,925.41**	**92,732.41**

Excise Duty on sales amounting to ₹ 18,433.47 Lakhs (March 31, 2016 : ₹ 17,704.39 Lakhs) has been reduced from sales in Statement of Profit & Loss and Excise duty on increase/(decrease) in stock amounting to ₹ 1.26 Lakhs [March 31, 2016 : ₹ (1.50) Lakhs] has been considered as (income)/expense in Note No. 23 of the financial statements.

Details of product sold		
a) Finished goods sold (Net of Inter Unit Transfer)		
-Metal Parts	93,761.02	83,367.48
-Fabric	20,142.48	18,051.77
-White Goods	1,961.91	2,160.89
-Others	747.34	69.37
	1,16,612.75	**1,03,649.51**
b) Traded goods sold		
- Auto components	6,146.91	5,941.98
	6,146.91	**5,941.98**
Net Revenue from sale of product	**1,22,759.67**	**1,09,591.49**
c) Earning in foreign currency		
F.O.B. value of exports	3,697.91	3,124.69
	3,697.91	**3,124.69**
Details of Sale of Services		
a) Job Work	2.10	0.83
	2.10	**0.83**
Details of Other Operating Revenues		
a) Sale of Scrap	552.41	639.86
b) Design & Development Income	44.70	204.61
	597.11	**844.47**

(Currency : ₹ in Lakhs except otherwise specified)

Note 17 : Other Income	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Interest Income from		
Fixed Deposit with banks	294.19	288.91
Income Tax Refund	79.80	-
Others	8.72	15.73
Dividend Income from		
Non Current Investment - Trade	-	-
Profit on sale of current investments	168.60	14.69
Profit from sale of tools and assets	233.02	602.62
Exchange Fluctuation	12.91	-
Other Income	240.97	404.93
	1,038.21	**1,326.88**

(Currency : ₹ in Lakhs except otherwise specified)

Note 18 : Cost of Material Consumed	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw Material		
Balances of Raw Material at the beginning of the year	6,409.72	6,449.26
Less: Transferred to stores & spares and consumable	109.89	-
Add:- Purchases during the year	65,732.40	59,425.41
Less:- Balances of Raw Material at the end of the year	5,469.45	6,409.74
Cost of Raw Material Consumed	**66,562.78**	**59,464.93**
a) Details of raw material and components consumed		
Steel	19,633.38	18,921.77
Fabric	13,901.81	10,775.45
Others	33,027.58	29,767.71
	66,562.78	**59,464.93**
b) C.I.F Value of imports		
Raw material	12,397.06	13,097.87
Capital Goods	63.96	280.61
Machinery Spares & Consumables	289.52	330.72
	12,750.55	**13,709.20**

c) Details of Indigenous and imported material consumed	For the year ended March 31, 2017	%	For the year ended March 31, 2016	%
Raw Material				
-Imported	13,292.58	19.97	13,928.38	23.42
-Indigenous	53,270.19	80.03	45,536.54	76.58
	66,562.78	**100.00**	**59,464.93**	**100.00**

(Currency : ₹ in Lakhs except otherwise specified)

Note 19 : Purchases of Stock - In - Trade	For the year ended March 31, 2017	For the year ended March 31, 2016
Auto components	5,189.74	5,075.91
	5,189.74	**5,075.91**

Note 20 : Changes in Inventories of Finished Goods, Work - In - Progress and Stock in Trade

(Currency : ₹ in Lakhs except otherwise specified)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventories at the beginning of the year		
Finished goods	6.56	16.09
Traded goods	-	21.31
Work- in- progress	1,743.87	2,040.00
	1,750.43	**2,077.40**
Inventories at the end of the year		
Finished goods	19.24	6.56
Traded goods	0.84	-
Work- in- progress	1,536.53	1,743.87
	1,556.61	**1,750.43**
(Increase)/Decrease in inventory	**193.82**	**326.97**

a) Details of Inventory at the end of the year

Finished goods		
Metals parts	5.83	4.47
Fabrics	13.37	1.90
White Goods	0.03	0.19
	19.24	**6.56**
Traded goods		
Auto Components	0.84	-
	0.84	**-**
Work- in- Progress		
Metal Parts	1,231.98	1,315.58
Fabric	277.44	404.25
White Goods	27.11	24.04
	1,536.53	**1,743.87**

(Currency : ₹ in Lakhs except otherwise specified)

Note 21 : Employee Benefits Expense	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Wages & Other Benefits	1,907.56	1,731.00
Salaries & Other Benefits	3,684.59	3,640.20
Director's Remuneration	738.52	667.52
Contribution to Provident and other funds	350.57	307.70
Gratuity (refer note below)	121.60	101.03
Staff Welfare Expenses	575.72	566.84
	7,378.56	**7,014.29**

(Currency : ₹ in Lakhs except otherwise specified)

Note 22 : Finance Cost	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Interest Expense	638.70	1,179.86
Interest on delayed payment of taxes	14.79	-
Net Exchange loss on Foreign currency borrowing to the extent considered as an adjustment to interest cost	40.29	-
Other Borrowing Costs	33.06	33.33
	726.84	**1,213.19**

(Currency : ₹ in Lakhs except otherwise specified)

Note 23 : Other Expenses	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Comsumable Tools	242.08	219.50
Power & Fuel	1,331.23	1,294.79
Hire Labour Charges	5,126.69	4,514.07
Manufacturing expenses	138.26	178.43
Rent, Rates & Taxes	346.98	348.69
Incremental effect of Excise Duty on Finished Goods	1.26	(1.50)

Note 23 : Other Expenses	For the year ended March 31, 2017	For the year ended March 31, 2016
Repair & maintenance		
-Repair to Building	90.32	24.32
-Repair to Plant & Equipments*	398.80	429.83
-Repair Others	237.44	255.66
Exchange Fluctuation	-	82.60
Royalty	34.25	40.77
Research & Development expenses (Refer Details below)	986.33	847.78
Travelling & conveyance	792.67	752.24
Insurance	78.65	61.12
Communication cost	66.19	71.85
Director's sitting fee & commission	13.67	16.03
Legal& Professional expenses	477.75	223.13
CSR Expenses	15.00	10.00
Prior Period Items (Refer Details below)	3.67	2.20
Selling Expenses	14.13	140.39
Packing Material	161.35	137.57
Freight Outward	579.72	493.17
Auditor's Remuneration (Refer Details below)	28.97	19.09
Provision for diminution in value of investment	8.18	-
Miscellaneous expenses	1,131.99	1,047.09
	12,305.58	**11,208.82**

a) Payment to Auditor

As Auditor		
Audit fee	13.34	12.44
Tax Audit fee	3.76	3.50
In other capacity		
Certification Fees	2.15	2.00
Taxation matter	9.11	0.60
Reimbursement of expenses	0.61	0.55
	28.97	**19.09**

b) Prior Period Expense	For the year ended March 31, 2017	For the year ended March 31, 2016
Freight Outward (Truck Expenses)	-	1.42
Repair & Maintenance (Machinery)	-	0.78
Electricity Expenses	3.67	-
	3.67	**2.20**

(Currency : ₹ in Lakhs except otherwise specified)

Note 24: Exceptional Items	For the year ended March 31, 2017	For the year ended March 31, 2016
Pre-Operative Expenses Written Off	738.87	359.25
Diminution in value of asset held for sale	176.40	-
	915.27	**359.25**

(Currency : ₹ in Lakhs except otherwise specified)

Note 25: Financial and Derivative Instruments	No of Contracts	For the year ended March 31, 2017	No of Contracts	For the year ended March 31, 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)		1,289.01		714.95
Foreign currency exposure that are not hedged by derivative instruments (Buy)		1,594.09		1,316.52

i. Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :	For the year ended March 31, 2017 (Foreign Currency)		For the year ended March 31, 2016 (Foreign Currency)	
Foreign Currency Exposure not hedged (Sell)	USD 18.17	1,185.44	USD 10.77	714.95
	EURO 0.75	52.26	-	-
	GBP 0.18	14.95	-	-
	AED 2.06	36.36	-	-
		1,289.01		**714.95**
Foreign Currency Exposure not hedged (Buy)	USD 24.51	1,589.46	USD 19.85	1,316.52
	EURO 0.06	4.48	-	-
	JPY 0.25	0.15	-	-
		1,594.09		**1,316.52**

ii. Particulars of hedged Foreign Currency Exposure as at Balance Sheet date :	For the year ended March 31, 2017 (Foreign Currency)		For the year ended March 31, 2016 (Foreign Currency)	
Foreign Currency ECB				
- CTBC Loan US$ 6 ML	USD 28.00	1,815.48	USD 48.00	2,988.00
- CITI Bank US$ 2.0 ML	USD 2.67	172.90	USD 8.00	490.66
		1,988.38		**3,478.66**

Note 26: Segment Wise Reporting

(i) Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) as notified under Companies (Accounts) Rules, 2014, the Company's primary business segment involves manufacturing and trading of auto component parts mainly with similar risks and returns. As the Company's business activities fall within a single primary business segment, i.e. sale of auto component parts, the disclosure requirements of AS-17 in this regard are not applicable.

(ii) The Company sells its products mostly within India and does not have any operations in economic environments with different risks and returns. Hence it is considered to be operating in single geographical segment.

Note 27 : Earnings Per Share

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

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	As At March 31, 2017	As At March 31, 2016
Profit/(Loss) attributable to Equity Shareholders (₹)- (A)	5,968.69	3,530.79
Basic/Weighted average number of Equity shares outstanding during the year - (B)	59.46	59.46
Nominal Value of Equity Shares (₹)	10	10
Basic/Diluted earnings per share (₹) - (A/B)	**100.38**	**59.38**

Note 28

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December, 2016 as provided in the table below:

(Amount in ₹)

Particulars	SBNs	Other Denominations Notes	Total
Closing cash in hand as on 8.11.2016	1,59,500*	264	1,59,764
(+) Permitted Receipts	-	3,10,000	3,10,000
(-) Permitted Payments	-	2,66,826	2,66,826
(-) Amount Deposited in banks	1,59,500*	-	1,59,500
Closing cash in hand as on 30.12.2016	-	43,438	43,438

* Out of ₹ 159,500, ₹ 147,500 represents Imprest in hand
The above disclosers are based on standalone books only.

Note 29 : Related Party Disclosures

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

Name of the Related Party	
a) Mr. Narinder Dev Relan (Co-Chairman) (upto June 02, 2016) b) Mrs. Sharda Relan (Whole Time Director) (w.e.f. August 10, 2016) c) Mr. Ajay Relan (Managing Director) d) Mr. Bireswar Mitra (Executive Director) e) Mr. Pradeep Rastogi (President - Legal & CFO) (upto August 10, 2016) f) Mr. Vivek Bhatia (CFO) (w.e.f. August 10, 2016) g) Mr. Nitin Vishnoi (Company Secretary)	Key Managerial Personnel
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 (Grandson of Whole Time Director) h) Mr. Pranav Relan (Grandson of Whole Time Director) i) Mr. Ayush Relan (Grandson 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.	Enterprises over which Key Managerial Personnel are able to Exercise significant influence

(Currency : ₹ in Lakhs except otherwise specified)

S.No	Nature of Transactions	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	**Loans taken during the year**			
	- N.D. Relan	-	0.25	-
		(-)	(82.37)	(-)
	- Ajay Relan	-	100.00	-
		(-)	(146.04)	(-)
	- Rohit Relan	-	-	-
		(-)	(-)	(151.83)
	- Sharda Relan	-	50.00	-
		(-)	(85.21)	
ii)	**Loan repaid during the Year**			
	- N.D. Relan	-	25.78	-
		(-)	(1450.71)	(-)
	- Ajay Relan	-	1108.33	-
		(-)	(513.87)	(-)
	- Rohit Relan	-	-	268.20
		(-)	(-)	(466.32)
	- Sharda Relan	-	40.45	-
		(-)	(1502.94)	
iii)	**Interest paid on loans during the Year**			
	- N.D. Relan	-	0.43	-
		(-)	(155.07)	(-)
	- Ajay Relan	-	174.06	-
		(-)	(258.31)	(-)
	- Rohit Relan	-	-	200.24
		(-)	(-)	(270.25)
	- Sharda Relan	-	3.54	-
		(-)	(129.63)	(-)
iv)	**Rent paid during the Year**			
	Sharda Auto Solutions Pvt. Ltd.	11.70	-	-
		(46.47)	(-)	(-)
	-Sharda Relan	-	57.45	-
		(-)	(68.34)	(-)
	-Sharda Enterprises	151.69	-	-
		(150.34)	(-)	(-)
v)	**Remuneration paid**			
	- N.D. Relan	-	62.40	-
		(-)	(335.47)	(-)
	- Ajay Relan	-	396.73	-
		(-)	(309.05)	(-)
	-Sharda Relan	-	256.66	-
		(-)	(-)	(-)
	-B. Mitra	-	22.73	-
		(-)	(23.01)	(-)

vi)	**Salary Paid**			
	-Pradeep Rastogi	-	11.00	-
		(-)	(27.38)	(-)
	-Nitin Vishnoi	-	23.85	-
		(-)	(19.47)	(-)
	-Mala Relan	-	-	13.61
		(-)	(-)	(14.61)
	Vivek Bhatia	-	64.81	-
		(-)	(-)	
	-Aashim Relan	-	-	48.93
		(-)	(-)	(24.86)
vii)	**Dividend Paid**			
	- N.D. Relan	-	-	-
		(-)	(50.73)	(-)
	- Ajay Relan	-	241.73	-
		(-)	(88.36)	(-)
	- Nitin Vishnoi	-	0.13	-
		(-)	(0.11)	(-)
	- Sharda Relan	-	-	-
		(-)	(-)	(78.47)
	-Rohit Relan	-	-	53.60
		(-)	(-)	(48.24)
	-Aashim Relan	-	-	37.61
		(-)	(-)	(33.37)
	-Ayush Relan	-	-	13.00
		(-)	(-)	(11.70)
	-Pranav Relan	-	-	16.12
		(-)	(-)	(14.37)
	-Rishabh Relan	-	-	19.81
		(-)	(-)	(17.35)
	-Mala Relan	-	-	62.09
		(-)	(-)	(55.83)
	-Ritu Relan	-	-	92.82
		(-)	(-)	(83.53)
	-Aashita Relan	-	-	1.37
		(-)	(-)	(0.48)
	-Ajay Relan(HUF)	2.40	-	-
		(2.16)	(-)	(-)
	-ND Relan (HUF)	3.75	-	-
		(3.38)	(-)	(-)
	-Rohit Relan (HUF)	5.55	-	-
		(5.00)	(-)	(-)
viii)	**Sitting Fee Paid**			
	-Sharda Relan	-	-	0.80
		(-)	(-)	(3.60)
	-Rohit Relan	-	-	0.40
		(-)	(-)	(1.60)

ix)	**Expenses paid**			
	- A.N.I Hospitality LLP	1.28	-	-
		(1.41)	(-)	(-)
x)	**Net Outstanding Balance payable as on 31.03.2017**			
	- N.D. Relan	-	-	-
		(-)	(93.51)	(-)
	- Ajay Relan	-	1,091.96	-
		(-)	(2,153.17)	(-)
	-B. Mitra	-	-	-
		(-)	(1.11)	(-)
	-Pradeep Rastogi	-	-	-
		(-)	(1.58)	(-)
	-Nitin Vishnoi	-	-	-
		(-)	(0.96)	(-)
	-Rohit Relan	-	-	1999.76
		(-)	(-)	(2272.87)
	Vivek Bhatia	-		(-)
		(-)		-
	-Sharda Relan	-	33.91	-
		(-)	(29.56)	(-)
	-Mala Relan	-	-	-
		(-)	(-)	(0.61)
	-Aashim Relan	-	-	-
		(-)	(-)	(1.08)

Note 30 : Detail of entities considered in consolidated financial statements

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

Name of the Enterprise	Country of Incorporation	% of voting power held as at March 31,2017
Bharat Seats Limited (Associate Company)	India	28.66
Relan Industrial Finance Limited (Associate Company)	India	47.12
Toyo Sharda India Private Limited (jointly controlled entity)	India	50.00
Toyota Boshoku Relan India Private Limited (jointly controlled entity)	India	50.00

Note 31: Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint ventures.

Name of Enterprises	Net Assets i.e. total assets minus total liability		Share in profit or loss	
	As % of consolidated net assets	Amount (₹) in lacs	As % of consolidated profit or loss	Amount (₹) in lacs
Parent				
Sharda Motor Industries Limited	93.26%	28,266.78	94.23%	5,647.42
Associates				
Bharat Seats Limited	5.54%	1,678.71	3.76%	225.41
Relan Industrial Finance Limited	0.79%	239.53	0.42%	25.09
Joint Ventures				
Toyo Sharda India Private Limited	0.52%	158.94	1.61%	96.25
Toyota Boshoku Relan India Private Limited	-0.11%	(33.06)	-0.01%	(0.66)

Note 32: Alignment of Accounting Policy for consolidation

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

Note 33: CSR Expenditure

(a) Gross amount required to be spent by the parent Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 64.54 Lakhs.

(b) Amount spent during the year: (Currency : ₹ in Lakhs except otherwise specified)

S. No.	Purpose for which expenditure incurred	Amount (₹) In Cash/Cheque	Remarks	Total	Amount yet to be Spent for FY 2016-17
(i)	Construction/acquisition of any asset	-	-	-	-
(ii)	On purposes other than (i) above	15.00	Payment made to The Hindu College	15.00	49.54

Note 34

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

Note 35

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

Note 36

'Relying on the judgment of Honorable Supreme Court of India in **"Kedar Nath Yadav Vs. State of West Bengal & Ors."** the company has written off an amount of Rs. 7.38 Cr. incurred in respect of setting up of Singur facility and disclosed under the head 'Exceptional item'. Exceptional items for the current quarter ended March 31, 2017 includes 1.76 Cr. as diminution in value of assets held for sale at Korin Unit for sale. Exceptional items for the year ended contains sum of both the above amounts.'

Note 37

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

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

	Kishan N Parikh Chairperson DIN:00453209	**Sharda Relan** Co-Chairperson DIN:00252181	**Ajay Relan** Managing Director DIN:00257584
Place of Signature: New Delhi Date: 17th July, 2017	**Vivek Bhatia** President & CFO M.No. 89846	**Pradeep Rastogi** President (Legal & Strategic Solutions)	**Nitin Vishnoi** Company Secretary M. No. FCS 3632

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

32ND ANNUAL GENERAL MEETING
ATTENDANCE SLIP

Folio No./DP ID/Client ID	:	
Name :	:	
Address	:	
Shareholder Joint1	:	
Shareholder Joint2	:	
No. of Shares Held	:	
PAN No./Sequence No.	:	

I / We hereby record my/our presence at the 32nd Annual General Meeting of the Company at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi- 110016, India on Wednesday, the 30th day of August, 2017 at 12:00 Noon (IST).

Folio No./DP ID/Client ID	Member's / Proxy's name in Block letters	Member's/Proxy's signature

Note:

1. Please complete the Folio No./DP ID/Client ID and name, sign this Attendance Slip and handover at the Attendance Verification Counter at the meeting hall.
2. Electronic copy of the Annual Report for FY 2016-17 and the Notice of the Annual General Meeting ("AGM") along with Attendance Slip and Proxy Form is being sent to all the members whose email addresses are registered with the Depository Participants unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2016-17 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email addresses are not registered or who have requested for a hard copy.

E-VOTING PARTICULARS

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

Note: NOTE: Please read instructions given under Note to the Notice of 32nd Annual General Meeting carefully before voting electronically.

Sharda Motor Industries Limited

(CIN: L74899DL1986PLC023202)
Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi 110020
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
Email: investorrelations@shardamotor.com Website: www.shardamotor.com

PROXY FORM

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

Name :
Address :

Folio No./DP ID/Client ID :
E-mail id :

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

(1) Name:……Address……

E-mail id……Signature……or failing him/her;

(2) Name:……Address……

E-mail id……Signature……or failing him/her;

(3) Name:……Address……

E-mail id……Signature……

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Wednesday, 30th August, 2017 at 12:00 Noon (IST) at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi- 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	To receive, consider and adopt the audited financial statements for the year ended 31st March, 2017 along with the reports of the Board of Directors and Auditors thereon.
2	To declare a final dividend for the financial year 2016-17
3	To re-appoint Smt Sharda Relan (DIN:00252181) who retires by rotation and being eligible offers herself for re-appointment.
4	To re-appoint Shri RP Chowdhry (DIN:00337775) who retires by rotation and being eligible offers himself for re-appointment.
5	To appoint Statutory Auditors and fix their remuneration
6	To ratify the remuneration to be paid to M/s Gurdeep Singh & Associates, Cost Auditors of the Company

Signed this ……day of ……2017

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. For the resolutions, explanatory statement and notes, please refer to the notice of 32nd Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.



SHARDA MOTOR INDUSTRIES LIMITED
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Website: www.shardamotor.com

Print Media: +91-11-29541681, 9873000211