Sharda Motor Industries Ltd.

SMIL: LISTING: 19-20/3008 **30th August, 2019**

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

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

Sub: Notice of 34 Annual General Meeting, Annual Report for Financial Year 2018-19 & Book Closure Intimation

Dear Sir/ Madam,

We hereby inform you that the 34 Annual General Meeting ("AGM") of the Members of Sharda Motor Industries Limited ("the Company") is scheduled to be held on Friday, 27th September, 2019 at 12:00 Noon (IST) at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016, India, to transact such business(es) as set out in the AGM Notice.

Further in compliance with Regulation 34(1)(a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 "Listing Regulation", please find enclosed herewith a copy of the AGM Notice along with Attendance Slip, Proxy Form and Annual Report for Financial Year 2018-19 which is being dispatched / sent to the Members of the Company by the permitted mode. The said is also available on the Company's website at "www.shardamotor.com".

Pursuant to relevant provision of Companies Act, 2013 read with rules made thereunder and applicable provisions of SEBI Listing Regulations, the Company is providing to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 34 AGM by electronic means. The details related to Book closure, Cut off for E-voting, commencement and end dates of E-voting are enclosed as:

Events	Date	Time
Date of AGM	Friday, 27th September, 2019	12:00 Noon (IST)
Cut-off date for casting the votes through E-voting	Friday, 20th September, 2019	Not Applicable
Commencement of E-voting period	Tuesday, 24th September, 2019	09:00 A.M. (IST)

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.shadamotor.com
CIN NO-L74899DL1986PLC023202

Sharda Motor Industries Ltd.

End of E-voting period	Thursday, 26th September, 2019	05:00 P.M. (IST)
Book Closure date for the purpose of AGM	From Saturday, 21st September, 2019 to Friday, 27th September, 2019	Not Applicable

This is for your information and record.

Thanking you,

Yours faithfully,

For **SHARDA MOTOR INDUSTRIES LIMITED**

Divyang

Divyang Jain
Assistant Company Secretary

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

Encl. as above:

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)
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34 Annual Report 2018-19

SHARDA
MOTOR INDUSTRIES LIMITED

BOARD OF DIRECTORS	SHRI KISHAN N PARIKH	Chairperson
	SMT SHARDA RELAN	Co-Chairperson
	SHRI AJAY RELAN	Managing Director & CEO
	SHRI ROHIT RELAN	Director
	SHRI R. P. CHOUDHARY	Director (ceased w.e.f 01.04.2019)
	PROF. ASHOK KUMAR BHATTACHARYA	Director
	SHRI SATINDER KUMAR LAMBAH	Director
	SHRI BIRESWAR MITRA	Executive Director
	SHRI UDAYAN BANERJEE	Additional Director (appointed w.e.f. 13.02.2019)
CHIEF FINANCIAL OFFICER	SHRI VIVEK BHATIA	
COMPANY SECRETARY	SHRI NITIN VISHNOI	
AUDITORS	**STATUTORY AUDITORS** M/s. GUPTA VIGG & CO. CHARTERED ACCOUNTANTS	
SECRETARIAL AUDITORS	M/s. VKC & ASSOCIATES COMPANY SECRETARIES	
COST AUDITORS	M/s. GURDEEP SINGH & ASSOCIATES COST ACCOUNTANTS	
BANKERS	YES BANK KOTAK MAHINDRA BANK HDFC BANK STATE BANK OF INDIA	
REGISTERED OFFICE	D-188, OKHLA INDUSTRIAL AREA, PHASE - I, NEW DELHI - 110 020, INDIA WEBSITE: WWW.SHARDAMOTOR.COM E-MAIL: investorrelations@shardamotor.com Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676 CIN: L74899DL1986PLC023202	

CONTENTS

Message of Managing Director. 02

Notice 03

Directors' Report. 12

Report on Corporate Governance 39

Management Discussion & Analysis Report. 53

Standalone Financial Statements 55

Consolidated Financial Statements. 106

Managing Director's Message

Dear Shareholders,

It is my privilege to present the Annual Report for 2018-19 as Managing Director of Sharda Motor Industries Limited. This year, we have marked 34 glorious years by creating the value for stakeholders.

India's automotive industry is the fourth-largest in the world (by production). The annual production of vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle has registered a growth of *6.26 percent in FY 2018-19 compared to last year but for Q1 - FY 2019-20 it has registered a decline of *10.53 percent over the same period of last year. Therefore the sector which was growing at a good pace is now facing the slowdown and we expect to see government policy supporting auto growth through reduction of GST rates and implementation of National Electric Mobility Mission Plan 2020. However, according to IHS Automotive, a global market information provider, by 2026 India is expected to be the third largest automotive market in the world. The Indian auto industry is facing challenges, including adapting to a structural shift towards electric vehicles (EVs), shared mobility options with ride-sharing permeating the urban landscape, a pan-India shift to Bharat Stage-VI emission by 2020 and enhanced safety norms. As such, we will have to be more agile than ever and work towards being future-ready.

Your Company always embarks towards the development of new products and technology with a foremost commitment for facing the aforesaid challenges and to delight the customer with advanced products by setting up of new industry benchmarks. We shall continue to develop new and cutting-edge products at a faster pace and aggressively expand our pan-India footprint, considering that it has always been the focus of the management of the Company to increase the stakeholder'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.

AJAY RELAN

The support of our valued customers, suppliers, Government of India, the state governments, local communities and key contractors has been a key enabler. I personally thank, all the stakeholders for their help. On your behalf, I also take this opportunity to thank all employees of your Company for their continued hard work, solidarity, cooperation and support. On behalf of the Board, I would like to thank all valued Shareholders for your support and for your trust in SMIL family which aims to go a long way to enable us resolutely move in our journey and keep the faith bestowed upon us by delivering enduring value for our stakeholders.

Finally, I thank you for your continued trust, confidence and support.

Best Regards,
Ajay Relan
Managing Director

** The provided figures are based on the data shared by Society of Indian Automobile Manufacturer "SIAM".*

NOTICE

NOTICE is hereby given that the Thirty four (34) Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited ("the Company") will be held at PHD Chamber of Commerce & Industry, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016, India, on Friday, 27th September, 2019 at 12:00 Noon (IST), to transact the following business(es):

ORDINARY BUSINESS:

1. **To receive, consider and adopt: (a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:**

   a) **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.

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

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

SPECIAL BUSINESS:

3. **TO APPOINT SHRI UDAYAN BANERJEE (DIN: 00339754) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualifications of Directors) Rules, 2014, and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Udayan Banerjee (DIN: 00339754), who was appointed as an Additional Director (in the capacity of an Independent Director) of the Company with effect from 13th February, 2019 and who holds office upto the date of this Annual General Meeting (AGM), in pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director of the company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold the office of Independent Director for a term up to 31st December, 2021.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

4. **TO APPOINT SHRI NITIN VISHNOI (DIN: 08538925) AS A DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Section 152,161 of the Companies Act, 2013 ("the Act"), read with Companies (Appointment and Qualifications of Directors) Rules, 2014, and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"),and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri. Nitin Vishnoi (DIN:08538925), who was appointed as Additional Director of the Company, with effect from 3rd September, 2019 and who holds office up to date of this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director of the company,be and is here by appointed as the Director of the Company, liable to retire by rotation.

   "RESOLVED FURTHER THAT the Ajay Relan, Managing Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **TO APPOINT SHRI NITIN VISHNOI AS A WHOLE TIME DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 196,197 and 203 read with Schedule V and other applicable provisions of the Companies Act,2013 ("Act"), and the Companies (Appointment an Remuneration of Managerial Personnel) Rules 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Article of Association of the company, subject to the such consent, approvals and permission as may be needed in this regards, consent of the members of the Company be and is here by accorded for the appointment of Shri Nitin Vishnoi (DIN:08538925), as a Whole-Time Director (Designated as Executive Director) of the company for a period of 5 (Five) consecutive years with effect from 3rd September, 2019 on the terms and conditions including remuneration and other perquisites as set-out in Explanatory Statement annexed to this Notice.

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

FURTHER RESOLVED THAT in the event of any liberalization / revision in the ceiling on permissible managerial remuneration or otherwise, the Board of Directors be and is hereby authorized to alter, vary or increase the remuneration, notwithstanding the overall remuneration set out as above, as may be permissible / prescribed without requiring any further resolution or consent of / reference to the Members.

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

FURTHER RESOLVED THAT Shri Ajay Relan, Managing Director of the Company be and is hereby authorized to file and submit necessary forms and returns with the Registrar of Companies and to do such other things, deeds and act as may be considered necessary for the purpose."

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 provision of Section 148 of the Companies Act, 2013, read with rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other permissions as may be necessary and on the recommendation of the Audit Committee of the Company, the members of the Company do hereby ratify the remuneration of Rs. 100,000 (Rupees One Lakh only) excluding applicable taxes and other out-of pocket expenses payable to M/s. Gurdeep Singh & Associates, Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of cost records of the specified products (Generator Parts, parts of house hold and others) for the financial year 2019-20."

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

By Order of the Board
For SHARDA MOTOR INDUSTRIES LTD.

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 12th August, 2019
Place : New Delhi

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI Listing 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 PROXY (IES) TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE 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** be for the commencement of meeting. Corporate members intending to send their authorized 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 Member of the Company.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2019 to Friday, 27th September, 2019 (both days inclusive).

4. 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 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. Whereas the Members holding shares in physical form are requested to intimate to our Registrar and Share Transfer Agent (RTA), Alankit Assignments Limited for carrying out the aforesaid changes.

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

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

7. 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 shall be entitled to vote.

8. 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.

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

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	PROPOSED DUE DATE FOR TRANSFER TO IEPF
31.03.2012	12.09.2012	10.10.2019
31.03.2013	06.02.2013*	04.03.2020
31.03.2013	02.09.2013	30.09.2020
31.03.2014	29.01.2014*	27.02.2021
31.03.2014	03.09.2014	01.10.2021
31.03.2015	10.02.2015*	08.03.2022
31.03.2015	26.08.2015	24.09.2022
31.03.2016	05.02.2016*	03.03.2023
31.03.2016	07.09.2016	05.10.2023
31.03.2017	05.02.2017*	03.03.2024
31.03.2017	30.08.2017	28.09.2024
31.03.2018	12.02.2018*	10.03.2025
31.03.2018	27.09.2018	25.10.2025

* Interim Dividend

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

10. The Notice of the AGM alongwith the Annual Report 2018-19 is being sent through 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 are also available on Company's website www.shardamotor.com

11. 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.

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

13. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, Secretarial Standard-2 and Listing Regulations, the 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 Entry our User ID (For CDSL:16 digits beneficiary ID, For NSDL :8 Character DPID followed by 8 Digits Client ID, Members holding shares in physical form should enter Folio Number registered with the Company)

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

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

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. 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).

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

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

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

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

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

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

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

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

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

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

(xv) Shareholders can cast their vote using CDSL's mobile app m-voting available for android based mobiles. Them-voting app can be downloaded from Google play store. Apple and Windows phone users can download the app from the App

Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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

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

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

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

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

(D) The Remote e-voting period will commence on Tuesday, 24th September, 2019 (09:00 a.m. IST) and ends on Thursday, 26th September, 2019 (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. Friday, 20th September, 2019, (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 Friday, 20th September,2019 (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, Managing Partner (Membership No. FCS 5327) and failing of him Shri Mohit K Dixit, Partner, (Membership No. A49021), of M/s VKC Associates, Practicing Company Secretaries, having consented to act as a scrutinizer, has been appointed as the Scrutinizer ("Scrutinizer") to scrutinize the voting process (Ballot Paper as well as remote e-voting) in a fair and transparent manner.

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

21. **INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARD - 2 AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

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

Particulars	Shri Rohit Relan	Shri Udayan Banerjee	Shri Nitin Vishnoi
Date of Birth (as on date)	02nd July, 1955 (64 years)	15th January, 1947 (72 Years)	18th January, 1970 (49 Years)
Nationality	Indian	Indian	Indian
DIN:	00257572	00339754	08538925
Date of First Appointment on the Board of the Company	25th May, 1991	13th February, 2019	03rd September, 2019

Particulars	Shri Rohit Relan	Shri Udayan Banerjee	Shri Nitin Vishnoi
Qualification	FCA, OPM (USA)	MSc. in Applied Science (IIT Kharagpur)	B.Com Honors & Fellow Member of Institute of Company Secretaries of India
Experience, Expertise & other details	He has an over all experience of 33 years in the field of Account, Finance, Business Management & Capital Market and other details are mention in brief profile bellow.	He has an over all experience of 45 years in the field of Business Management, Operations and other details are provided in explanatory statement to Item No.3 of the Notice	He has an overall experience of more than 26 years in the field of Corporate Governance, Compliance Management & Corporate Restructuring and other details are provided in explanatory statement to Item Nos. 4 & 5 of the Notice
Brief profile	Rohit Relan is the Non Independent Non-Executive Director of our Company. He is a Fellow Member of the Institute of Chartered Accountants of India and he took three years training from Harvard Business School, U.S.A under Owner/President Management (O.P.M.) Programme and is Managing Director of Bharat Seats Ltd, a joint venture company of Maruti Udyog Limited and Suzuki Motor Limited, Japan. He has a vast experience in the line of Finance and Total Productivity Maintenance.	Mentioned in the Explanatory Statement to Item No. 3 of the Notice	Mentioned in the Explanatory Statement to Item Nos. 4 & 5 of the Notice
Shareholding in the Company	428,818 Equity shares	**NIL**	1,000 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	1. Ajay Relan(Brother) 2. Sharda Relan (Mother)	None	None
Remuneration received from the Company in the financial year 2018-19.	Sitting fees : Rs. 1.60 Lacs	Sitting fees : Rs. 1.00Lacs	Sitting fees : NIL Remuneration :Rs. 37.63 Lacs as Company Secretary
Number of meetings of the Board held and attended during the financial year 2018-19	Board Meeting held: 6 Board Meeting attended: 4	Board Meeting held: 2 Board Meeting attended: 2	Not Applicable (in the capacity of Director)
Directorships held in listed entities in India (including this listed entity)	Two 1. Sharda Motor Industries Limited 2. Bharat Seats Limited	One 1. Sharda Motor Industries Limited	None
Chairman/ Member of Committee of the Board of listed entities in which they are director	None	Sharda Motor Industries Limited a) Audit Committee(Member) b) Nomination and Remuneration Committee (Member) C) Stakeholders Relationship Committee(Member)	None

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

Item No. 3

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and in pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Shri Udayan Banerjee (DIN 00339754) as an Additional Director, designated as Independent Director on the Board of the Company w.e.f. 13th February, 2019 for a tenure of upto 31st December, 2021, subject to approval of the Members.

According to the provisions of Section 161(1) of the Act, Shri Udayan Banerjee to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director.

The Company has received declarations from Shri Udayan Banerjeethat he meets the criteria for independence as provided in Section 149 of the Act along with the rules framed thereunder and SEBI Listing Regulations and has submitted declaration to that effect that he is eligible for appointment as an Independent Director and is not disqualified / debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority. He is independent of the management of the Company.

Brief profile of Shri Udayan Banerjee as under:

Sh. Udayan Banerjee holds Masters Degree in Earth Science from IIT Kharagpur in 1969 and also holds diploma in work study from Work Factor Co. of USA in 1978. Sh. Udayan Banerjee started his career in year 1970, as Management Trainee with 'Bata Shoes Limited', wherein he was nominated to attend course on work-study under Johan Hopkins University in United States of America in the Year 1978. In Year 1981, Sh. Udayan Banerjee joined Stepwel Industries Limited, as Production Manager. During his tenure with Stepwel Industries Limited, he contributed to the Development and Marketing of "Piere Cardin" brand in India, besides developing business in West Germany and United Kingdom. Sh. Udayan Banerjee served 'Stepwel Industries Limited' for five years. Subsequently, Sh. Udayan Banerjee worked as Technical and Marketing consultant with UNCTAD/ GATT (presently WTO) for two years and made significant contribution in setting up of three manufacturing units in Bangladesh and two in Indonesia. In year 1988, Sh. Udayan Banerjee started working as an Independent Consultant / agent for marketing of plant, machinery and material to various internationally reputed companies of Japan, France and Italy.

Sh. Udayan Banerjee was associated with Sharda Motor Industries Limited (SMIL) at various positions for approx. 17 years. During his association with SMIL, he led several teams for successful setting up of Manufacturing Units of Automobile Components. Sh. Udayan Banerjee initiatives enabled SMIL to enter into technical collaboration for manufacturing of mono block exhaust system. He also played a key role in setting up and commissioning of R&D facility of SMIL, located in Chennai. During his tenure with SMIL, Sh. Udayan Banerjee acquired vast experience in foreign collaboration (Technical) for Auto Components especially in emission controls and had the distinction of setting up various industrial units of SMIL. At present Sh. Udayan Banerjee is actively involved in child development, teaching poor children and helping them to develop their various inherent qualities and is also involved in rural development in the field of environment protection and child health care.

Except Shri Udayan Banerjee being the appointee is interested in the resolution set-out at item no. 3. Save and except the foregoing None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 3 (being Special Business), be passed as an Ordinary Resolution for consideration and approval of the shareholders

Item No. 4 & 5

On the recommendation of Nomination & Remuneration Committee (considering his background ,experience and contribution made to the Company), the Board of Directors of the Company, at its meeting held on 12th August ,2019 has considered and approved the appointment of Shri Nitin Vishnoi as an Additional Director on the Board of the Company with effect from 3rd September, 2019 & and also as a Whole-Time Director (designated as Executive Director) for a period of 5 (Five) consecutive years with effect from 3rd September, 2019 , subject to the approval of Shareholders of the Company on such terms & conditions as mentioned in the proposed resolutions here in under item no.4 and 5 and remuneration and other perquisites as set-out hereunder.

Salary		:	Basic: Rs. 130,000 per month, in the range of Rs.1,00,000 to Rs. 3,00,000 per month
HRA		:	Rs. 52,000 per month, in the range of Rs. 50,000 to Rs.1,50,000 per month.
Other Entitlements			
1	Special Allowance	:	Subject to a maximum of 50% of Basic Salary per month.
2	Reimbursement of Expenses	:	Reimbursement of Expenses including Books & Periodicals, Entertainment and Driver's Salary, subject to a maximum of Rs. 43,200 per month.
3	Personal Accidental & Medical Insurance	:	As per Company Rules and Policy
4	Leave Travel Concession	:	For self and family, as per Company Rules and Policy.
5	Earned / Privilege Leave	:	As per Company Rules. Leaves accumulated but not availed of during his tenure and cashable as per Company Rules.
6	Car	:	Provision of car and Reimbursement of actual expenses of vehicle, for official use only.

7	Mobile	:	Reimbursement of Mobile Expense on actual basis.
8	Provident Fund	:	Company's Contribution towards Provident Fund, Pension Fund & Superannuation Fund as per the Company Rules.
9.	Gratuity		Gratuity as per the Payment of Gratuity Act, 1972 including any amendment or re-enactment thereof.
10	Performance Incentive		Subject to a maximum of 20% of Basic Salary per annum to be paid quarterly/ half yearly/ Annually basis, based on the performance parameters or as may be decided by the Nomination & Remuneration Committee and Board of Directors.
11	Others		Such other perquisites, allowances and benefits in accordance with the rules/ policies of the Company or as may be approved by the Nomination & Remuneration Committee / Board of Directors of the Company.

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

According to the provisions of Section 161(1) of the Act, Shri Nitin Vishnoi to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director of the Company.

The Company has received declarations from Shri Nitin Vishnoi to the effect that he is willing to be appointed / re-appointed or continue as Director of the Company and that he is eligible and is not disqualified / debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority.

Brief profile of Shri Nitin Vishnoi as under:

Shri Nitin Vishnoi (aged about 49 years) is a fellow member of Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours. He has an over all work experience of more than 26 Years. In year 2002, he was appointed as Company Secretary of the Sharda Motor Industries Limited ("the Company"), be fore joining the Company he worked as Manager (Finance & Accounts) in Korin India Limited, which has been amalgamated with the company and also worked with Financial Eyes India Ltd. In the year 1994-95 also he served your company as a Company Secretary and contributed a lot during this small tenure .

Having his long association with the Company he has headed the Corporate Secretarial Department, and has substantially contributed to various other operational are as like finance, accounts, taxation, various financial tools and other financial projects including the successful implementation of the ERP in the Company. He has an expertise in the field of Corporate Restructuring, Compliance Management and Corporate Governance. Presently he is also leading / looking after the Corporate Governance Philosophies of Company / Group Companies & is continuously streamlining the processes and systems by introducing best benchmarks of the Industry.

Keeping in view that Shri Nitin Vishnoi has rich and varied experience and has been involved in the operations of the Company since a long time, based on his Performance and on the recommendation of Nomination and Remuneration Committee (considering his background, experience and contribution made to the Company) and that in the opinion of 'Nomination and Remuneration Committee' and the 'Board of Directors' proposed appointee possess the relevant expertise and experience and his appointment as Director on the Board would be of immense benefit to the Company. Therefore, it is proposed before the Members of the Company to appoint Shri Nitin Vishnoi as Director of the Company, liable to retire by rotation and Whole-Time Director on the Board of the Company for a period of 5 (Five) consecutive years from 3rd September, 2019.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 & 5 (being Special Business) of the Notice for approval by the Members.

Except Shri Nitin Vishnoi being the appointee is interested in the resolution set-out at item no.4 and 5. Save and except the foregoing none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

Item No. 6

The Board of Directors of the Company at its Meeting held on 12th August, 2019 and on the recommendation of the Audit Committee, have considered and approved the appointment of M/s Gurdeep Singh & Associates, as Cost Auditors of the Company to conduct the Audit of Cost Records of the specified products (i.e. Generator Parts, parts of house hold and others) at a remuneration of Rs. 100,000 (Rupees One Lacs) plus applicable Tax as applicable and other out-of pocket expenses for the financial year 2019-20. 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 2019-20 by way of an ordinary resolution is being sought from the members as set out at item no. 6 of the Notice. None of Directors / Key Managerial Personnel of the Company / their relative are, in any way, concerned or interested, financially or otherwise, in resolution set out at item no 6.

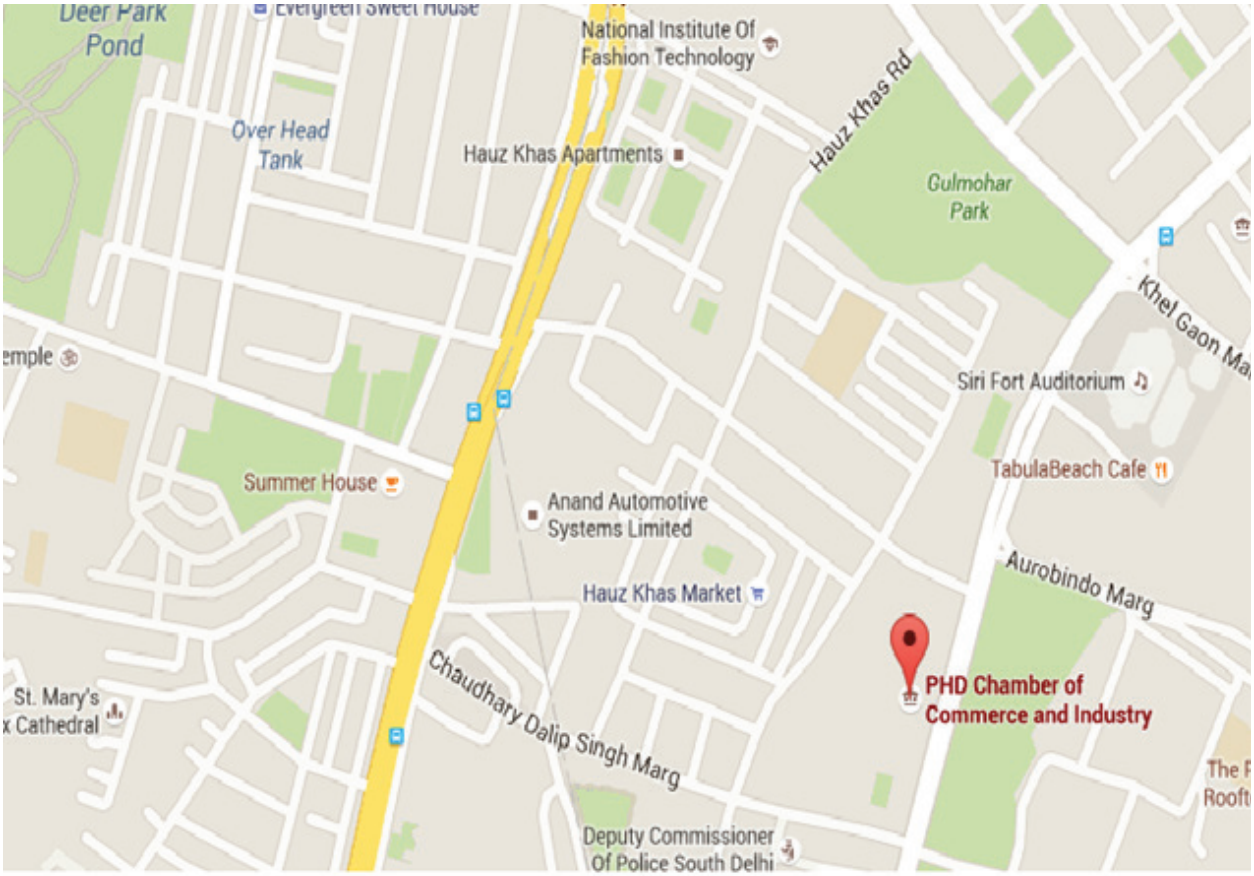
The Board has recommended the above ordinary resolution for your approval.

By Order of the Board
For SHARDA MOTOR INDUSTRIES LTD.

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 12th August, 2019
Place : New Delhi

Route map to the venue of the AGM



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Fourth (34) Directors' Report on the business and operations of the Company together with the financial statements for the financial year ended on 31st March, 2019.

FINANCIAL SUMMARY

(Rs. in Lakhs)

Particular	Standalone		Consolidated	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Revenue from operations	113,987.27	120,425.88	113,987.27	120,425.88
Other Income	2,197.71	1,780.30	2,103.96	1,699.30
Total Revenue	**116,184.98**	**122,206.18**	**116,091.23**	**122,125.18**
Profit before Financial Charges, Depreciation	**16,730.72**	**21,205.65**	**16,636.19**	**21,124.65**
Less : Financial Costs	4.59	213.00	4.59	213.00
Less : Excise duty	-	4,881.31	-	4881.31
Profit before Depreciation, Exceptional Items & Taxes	**16,726.13**	**16,111.34**	**16,631.60**	**16,030.34**
A. Depreciation	4,096.83	4,377.89	4,096.83	4,377.89
B. Exceptional items	-	58.73	-	58.73
Taxation				
– Current Tax	4,022.65	4,088.59	4,022.65	4,088.59
– Deferred Tax Charged/ (Released)	(179.39)	(274.89)	(179.39)	(274.89)
Profit for the year before share of profit/(loss) of associates and joint ventures	**8,786.04**	**7,861.02**	**8,691.51**	**7,780.02**
Share of profit/(loss) of associates (net of tax)	-	-	674.24	879.32
Share of profit/(loss) of Joint venture (net of tax)	-	-	99.78	137.78
Profit for the year	**8,786.04**	**7,861.02**	**9,465.53**	**8,797.12**
Add: Profit brought forward from Previous year	13,882.38	6915.96	16,838.59	8936.08
Profit available for appropriation	22,668.42	14,776.98	26,304.12	17,733.20
APPROPRIATIONS				
Dividend	371.65	371.63	371.65	371.63
Tax on Dividend	76.61	75.67	76.61	75.67
Interim Dividend	-	371.63	-	371.63
Tax on Interim Dividend	-	75.67	-	75.67
Transferred to General Reserves	-	-	-	-
Balance carried forward to Balance Sheet	22,220.16	13,882.38	25,855.85	16,838.59
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 116,091.23 Lakhs as against 122,125.18 Lakhs of previous year. Profit before taxation was Rs. 12,534.77 Lakhs as against Rs. 11,593.72 Lakhs of previous year (i.e. increased by approx 8.12%) during the year whereas the finance cost has been reduced to Rs. 4.59 Lakhs from Rs. 213 Lakhs. Net Profit after taxes of the company has increased by approx 7.60 % year on year basis.

Consolidated performance

During the year under review, the total revenue from operations and other income was 116,184.98 Lakhs as against 122,206.18 Lakhs of previous year. Profit before taxation was Rs.12,629.30 Lakhs as against Rs.11,674.72 Lakhs of previous year (i.e. increased by

approx 8.18%) during the year whereas the finance cost has been reduced to Rs. 4.59 Lakhs from Rs.213 Lakhs. Net Profit after taxes of the company has increased by approx 11.77 % year on year basis.

Standalone performance

During the year under review, the total revenue from operations and other income was 116,184.98 Lakhs as against 122,206.18 Lakhs of previous year. Profit before taxation was Rs.12,629.30 Lakhs as against Rs.11,674.72 Lakhs of previous year (i.e. increased by approx 8.18%) during the year and finance cost has been reduced to Rs. 4.59 Lakhs from Rs.213 Lakhs. Net Profit after taxes of the company has increased by approx 11.77 % year on year basis.

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

DIVIDEND & RESERVES

In order to conserve cash for future Business requirements including Investment required for BS VI Product Development, the Board has not recommended any divided for this financial year.

During the year under review, the Company has not transferred any amount to the Reserves.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Further all the Directors of the Company have given declaration that they are not debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority. All the Independent Directors meets / fulfills the criteria / conditions of Independence as prescribed under the Companies Act and Listing Regulations and are Independent of the Management of the Company.

Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations and other applicable provisions, if any the shareholders of the Company by means of Postal Ballot / e-voting, has accorded their approval for continuation of Directorship of Shri Satinder Kumar Lamba has Independent Director on the Board of the Company for his remaining tenure till February 4, 2021.

During the year under review, Shri Udyan Banerjee was appointed as an Additional Director, designated as Independent Director on the Board of the Company w.e.f. 13th February, 2019 and subject to the approval of members i.e. proposed before this Annual General Meeting, to hold office for a term upto 31st December, 2021.

Shri Ram Prakash Choudhary, Non-Executive Director of the Company has resigned from the Directorship of the Company, with effect from the closing of business hours of 31st March, 2019, due to the personal reasons.

The Shareholders of the Company (by means of Postal Ballot dated 27th May, 2019) has approved the Re-appointment of Shri Kishan Nagin Parikh & Shri Ashok Kumar Bhattacharya as Independent Directors of the Company for a second term of five consecutive years commencing with effect from 3rd September, 2019 to 2nd September, 2024 and the Result on the same was declared on July 17, 2019.

Shri Bireswar Mitra, Whole Time Director of the Company vide. its Letter dated 12th August, 2019 has tendered his resignation from the Directorship of the Company with effect from the closing of business hours of 2nd September, 2019, due to personal reasons and health issues.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 12th August, 2019, has appointed Shri Nitin Vishnoi as an Additional Director with effect from 3rd September, 2019 and who holds office as such till the ensuing Annual General Meeting. The Board of Directors has also appointed Shri Nitin Vishnoi as Whole Time Director of the company for a period of 5(Five) consecutive years from 3rd September, 2019, subject to the approval of Shareholders of the Company. The resolutions seeking member's approval for his appointment form part of the Notice,at Item Nos. 4 & 5, calling this Annual General Meeting.

Pursuant to section 152 of the Companies Act, 2013, Shri Rohit Relan (DIN: 00257572) director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible offers himself for re-appointment.

A brief profile of the above mentioned directors seeking appointment / re-appointment at the ensuing Annual General Meeting (AGM) of the Company has been provided in the Explanatory Statement of the Notice of this AGM.

All of the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment and had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company.

During the year under review there is no change in Key Managerial Personnel(s) of the Company.

NUMBER OF MEETINGS OF THE BOARD

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

BOARD LEVEL PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations and other applicable provisions, if any. The Board of Directors ("Board") at its meeting held on 27th May, 2019, carried out the performance evaluation of its own performance and that of its committees and individual directors.

The performance of the Board was evaluated through the ratings given by each Director based on the structured questionnaire that was prepared after considering the approved 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 also evaluated by the Board after seeking inputs / ratings from the committee members on the basis of the approved criteria such as the composition of committees, effectiveness of committee meetings etc.

The report of performance evaluation was then discussed and noted by the Board of Directors.

The Board of Directors has 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.

The Directors expressed their satisfaction with the evaluation process. The Board also noted that the Independent Directors fulfills the independence criteria as specified in the Listing Regulations and are Independent of the Management of the Company.

NOMINATION, REMUNERATION & EVALUATION POLICY

Pursuant to Section 134(3) read with 178 of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at http://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf.

AUDIT COMMITTEE

Audit Committee comprises of five members out of which four are independent directors including Shri Kishan N Parikh, Independent Director, is the Chairperson of the Committee. Smt. Sharda Relan, Executive Director of the Company is also a Member of the Committee. All the 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 2018-19.

SCHEME OF ARRANGEMENT

The Board of the Company at its Meeting held on 5th April, 2019 has considered and approved the Scheme of Arrangement ("the Scheme") through Demerger between the Company and NDR Auto Components Limited (Wholly Owned Subsidiary) and their respective shareholders, creditors under Section 230 to 232 and any other applicable provisions of Companies Act, 2013 on a going concern basis w.e.f. December 31, 2018 as on the appointed date to demerge the Automobile Seating Business of the Company into NDR Auto Components Limited. The Scheme is subject to the approval(s) of requisite authorities.

AUDITORS

Secretarial Auditors & Auditors Reports

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 and other applicable provisions, is any, the Board of Directors has appointed M/s.VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company, to conduct Secretarial Auditor the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith marked as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Statutory Auditors & Auditors Reports

Pursuant to the provisions of sections 139 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N) were appointed by the Members as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, from the conclusion of the 32nd Annual General Meeting of the Company held on 30th August, 2017 till the conclusion of 37th Annual General Meeting of the Company to be held in year 2022.

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

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

Cost Auditors & Cost Audit Report

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and based on the recommendation of audit committee, the Board of Directors of the Company has appointed M/s. Gurdeep Singh & Associates (holding M.No. 9967) as Cost Auditors of the Company for conducting the cost audit for the Financial Year 2019-20, subject to ratification of remuneration by the members in the ensuing Annual General Meeting. The Company has received a letter from Cost Auditors of the Company to the effect that their, appointment is within the limits prescribed as per the Companies Act, 2013 and are not disqualified from being appointed as Cost Auditors of the Company.

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

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your company has made donation of Rs. 12.90 Lacks to Sharda CSR Foundation Trust ("Trust") which is a philanthropic arm of the Company, the Trust has undertaken several activities including the Distribution of School Bags and Stationary among School children's for the promotion of education, other several projects and programmes based on the recommendation of the Corporate Social Responsibility Committee of the Company especially in the area of Education & Healthcare was also undertaken by Trust like Donation of Speech Hi-Fi device for Deaf and Dumb Student of Padsad Karnbadhir Vidhyalay in Nasik as a drive to promote education among disabled students and the Company has also donated as sum of Rs. 1 Lacs towards to Rotary Club in Nasik as its contribution in Mini Marathon held in February 3, 2019 in Nasik, Maharashtra to create general awareness among the People in the Healthcare Sector. Apart from the above the Company is committed towards making a sustainable impact on the society through its CSR projects and programmes in the long term like Building of Medical Centers, clinics and dispensaries.

The purpose of the trust is to sponsor various projects like Blood Donation Camps, Toilet Construction in the poor rural sectors, Stationary donation and infrastructure development to the low income government schools, blanket distribution to the poor and needy people of slum communities. The Company is moving rapidly towards achieving its goal by increasing the pace of the activities at various levels.

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

Details of composition of Committee, no. of meetings, attendance at the meetings, are provided in the Corporate Governance Report forming part of this annual report. Corporate Social Responsibility Policy of the company is available on the website of the Company (www.shardamotor.com).

In terms of Section 135 and rules made thereunder an annual report on CSR activities, expenditure, committee composition etc. is provided as **Annexure II** 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 III** to the Directors' Report. The Annual Report for period is available on website of the Company http://www.shardamotor.com/investor-relations/notices-results/

PARTICULARS OF EMPLOYEES

The details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure IV**.

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

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 Section134(3)(m) of the Companies Act, 2013 read with Rule8(3) of the Companies (Accounts) Rules, 2014, are annexed here with marked as **Annexure VI** 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 VII** forming part of this report.

Further in pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions of the Company with the following Persons: (belonging to the promoter/promoter group holding 10% or more shareholding in the Company) of:

- Ajay Relan (Promoter/ Managing Director) holding 32.41 % of Equity Shares in the Company
- Ritu Relan (Member of Promoter Group) holding 12.49 % of Equity Shares in the Company

are prescribed in the Related Party Disclosures in Note No. 35 of Notes to Financial Statements for year ended March 31, 2019, forms part of this Annual Report.

CORPORATE GOVERNANCE

We strive to attain high standards of corporate governance while dealing with all our stakeholders and have complied with all the mandatory requirements relating to Corporate Governance as stipulated in Para C of Schedule V of Listing Regulation. The "Report on Corporate Governance" forms an integral part of this report and is set out as separate section to this annual report. A certificate from M/s. Gupta Vigg & Co., Chartered Accountants, the statutory auditors of the Company, certifying compliance with the conditions of corporate governance stipulated in Para E of Schedule V of Listing Regulations is annexed with the report on corporate governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Para B of Schedule V of the Listing Regulation, is presented in a separate section forming part of this Annual Report.

VIGIL MECHANISM

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

PUBLIC DEPOSITS

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

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

No material changes and commitments, which affect the financial position of the Company, have occurred during the year and between the end of the financial year under review and the date of this report, whereas the company has shifted its entire operations of Automobile Business of Binola Unit located in Haryana to other units located in State of Haryana, since the customer has planned to shift its Manufacturing Facility to other state, therefore the operations of Air Conditioning Cabinet Business carried out at Binola Unit has been discontinued. Closure of Binola Unit does not materially affects financial position of the Company.

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.

In the matter of the petition vide. Company Petition "C.P. No.61 (ND)/2017" [Rohit Relan & Ors. Vs. Sharda Motor Industries Limited & Ors.] filed with Hon'ble National Company Law Tribunal, Delhi ('NCLT') under section 241, 242 of the Companies Act, 2013 by Mr. Rohit Relan & Others has also been disposed off by the Hon'ble NCLT vide its Order dated May 20, 2019, in line with the Memorandum of Family Settlement (MOFS), entered between Shri Ajay Relan, Shri Rohit Relan, Smt. Sharda Relan and other Relan family Members.

In view of the MOFS and disposing off the aforesaid Company Petition by Hon'ble NCLT the Company Appeals (AT) No. 332 & 378 of 2018, filed against the Interim Order dated September 20, 2018_of the Hon'ble NCLT in Company Petition (C.P. No. 61(ND)/2017) has been Disposed off by the Hon'ble National Company Law Appellate Tribunal (NCLAT) vide. its Order dated July 17, 2019. After disposal of the Company Appeal No.332 of 2018 by Hon'ble NCLAT vide its Order Dated 17th July, 2019 and in view of MOFS, the

result of resolution at items no. 4 of Notice of 33rd AGM for re-appointment as Director by rotation of Shri Bireshwar Mitra (DIN: 06958002) was declared and the Resolution at Item No. 3 of the Notice of said meeting for the re-appointment as Director by rotation of Shri Rohit Relan (DIN:00257572) being taken at 34th AGM as per the requirement of law.

In the matter of the Company Petition 'CP No. 242 (ND)/2017' [Sharda Motor Industries Ltd. V/s. M/s.Toyo Sharda India Pvt. Ltd. &. Ors] filed by the Company with the Hon'ble National Company Law Tribunal, Delhi ('NCLT') under section 241, 242 of the Companies Act, 2013 has been withdrawn by the Company in the view of MOFS and the Hon'ble NCLT has passed the final order on 7th August, 2019 in this regard.

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

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, NDR Auto Components Limited was incorporated as Wholly Owned Subsidiary of the Company as Special Purpose Vehicle (SPV) wherein the entire Automobile Seating Business of the Company is to be Demerged as separate entity post the sanction/ approval of Scheme of Arrangement through Demerger by the requisite Authorities.

Financial performance for the FY 2018-19 of the Subsidiary, Associates and Joint Venture Companies are disclosed in the financial statements which forms part of this annual report. A statement in form AOC-1, containing the salient features of the financial statements of the subsidiary, joint ventures and associate companies is provided as **Annexure VIII**.

During the year under review, the Company has entered into a Joint Venture (JV) Agreement in February' 2019 with Eberspaecher Exhaust Technology International GmbH (EET) of Germany in ration of 50:50 for Business Development of BS VI Norms of Commercial Vehicle segment in India. This Joint Venture is expected to bring benefits to both the JV Partners i.e. the Company & EET. Pursuant to which, from April, 2019 onwards till the date of this reports, both the Joint Venture partners have equally invested in "Exhaust Technology Private Limited" to undertake the Business Activities.

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 dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

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

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 judgment sand 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, 2019 and of the profit and loss of the company for the year ended on that date;

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

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

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

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

SECRETARIAL STANDARDS

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

ACKNOWLEDGEMENT

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

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from its customers, your Directors also extend their appreciation to Bankers, Credit rating Agencies and various departments of Central and State Government(s).

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

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

	Sharda Relan	Ajay Relan
Date : 12th August, 2019	Co-Chairperson	Managing Director
Place : New Delhi	(DIN:00252181)	(DIN:00257584)

ANNEXURE I

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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
CINL74899DL1986PLC023202
Registered Office Address: - D-188, Okhla Industrial Area Phase-I
New Delhi -110020

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2019 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, 2019 according to the provisions of: -

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

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

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

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

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

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

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

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

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **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, 2018- **Not Applicable**

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

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

7. Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;

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

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

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

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes

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

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

1. In the matter of Company Petition "C.P. No.61(ND)/2017" filed against the Company & Others under Section under section 241, 242 of the Companies Act, 2013 by Mr. Rohit Relan & Others has been disposed off by the Hon'ble National Company Law Tribunal, Delhi ('NCLT') vide its Order dated May 20, 2019, in the view of Memorandum of Family Settlement (MOFS) dated 22nd February, 2019.

   In view of the MOFS and disposing off Company Petition by Hon'ble NCLT, the Hon'ble National Company Law Appellate Tribunal (NCLAT) vide. its Order dated July 17, 2019 has disposed off the Company Appeal(AT) No. 332 of 2018 filed by the Company against an Interim Order of the Hon'ble NCLT dated September 20, 2018 in Company Petition, which was relating to the result of two resolutions [at items no. 3 and 4] to re-appoint as Directors, Shri Rohit Relan (DIN: 00257572) and Shri Bireshwar Mitra (DIN: 06958002), whom were liable to retire by rotation and their Voting Result was put on hold and made subject to the final outcome of the Company Appeal.

   After the dismissal of the appeal, the Company has disseminated the result of remote e-voting and Ballots for item no: 4 relating to re-appointment of Shri Bireshwar Mitra (DIN: 06958002) as Director to Stock Exchanges on 20th July, 2019, and the re-appointment of Shri Rohit Relan shall be taken as per the requirement of law.

2. In respect to a petition which had been filed by the Company against the Toyo Sharda India Private Limited (TSIPL), with the Hon'ble National Company Law Tribunal, New Delhi (NCLT) under section 241, 242 read with section 244 of the Companies Act, 2013. The respondents have filed an Application before the Hon'ble NCLT mentioning that the parties have reached to the Memorandum of Family Settlement (MOFS) and the petition thereon shall be disposed off, in view of the MOFS. However the matter is sub-judice as such no further comments.

3. The Board of the Company has approved a Scheme of Arrangement through Demerger on April 5, 2019 between the Company and NDR Auto Components Limited (Wholly Owned Subsidiary)and their respective stakeholders under Section 230 to 232 of Companies Act, 2013 and any other applicable provisions as may be applicable, to demerge the Automobile Seating Business (including equity investments in Bharat Seats Limited, Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited) to NDR Auto Components Limited subject requisite approval(s) as on the appointed date i.e. December 31,2018,

4. The Company has entered into the Joint Venture (JV) Agreement in ratio of 50:50 with Eberspaecher Exhaust Technology International GmbH (EET) of Germany for Business Development of BS VI Norms in Commercial Vehicle segment in India.

5. The Company has shifted its entire operations of Automobile Business of Binola Unit located in Haryana to other units located in State of Haryana and the operations of Air Conditioning Cabinet Business carried out at Binola Unit has been discontinued since the Customer has planned to shift its Manufacturing Facility to other state.

FOR VKC & ASSOCIATES;
(Company Secretaries)

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

Date: 02.08.2019
Place: New Delhi

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

'Annexure - A'

To

The Members,

SHARDA MOTOR INDUSTRIES LIMITED

CINL74899DL1986PLC023202

Registered Office Address: D-188, Okhla Industrial Area Phase-I

New Delhi -110020

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. 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 VKC & ASSOCIATES;
(Company Secretaries)

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

Date: 02.08.2019
Place: New Delhi

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the company's CSR policy, including over view 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, 2019:

   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. 7905.48 Lakhs

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

   Rs. 158.11 Lakhs

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

   a) Total Amount to be spent for the financial year: Rs. 15.37 Lakhs

   b) Amount unspent: Rs. 142.74 Lakhs

   c) Manner in which the amount spent during the financial year is detailed below:

(Rupees in Lakhs)

1	2	3	4	5	6	7	8
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent. Direct or through implementing agency**
1	Sharda CSR Foundation Trust: Promoting Healthcare and Education	Distribution of School Bags and Stationary for Promotion of Education	Manufacturing Units of the Company located in the following several States of India: 1. Nashik and Chakan (Pune) in Maharashtra, 2. Haridwar in Uttarakhand 3. Sanand in Ahmedabad, Gujarat 4. SIPCOT in Chennai	12.62	12.62	12.62	Through Implementing agency
2	Sharda CSR Foundation Trust: Promoting Healthcare and Education	Donated Speech Hi-Fi device for Deaf and Dumb Student of Padsad Karnbadhir Vidhyalay for promotion of Education	Nashik in the State of Maharashtra	2.00	1.75	14.37	Through Implementing agency

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**
3	Sharda Motor Industries Limited in Promotion of Health Care	Donation to Rotary Club for convening Mini Marathon for Social Cause at Nasik in State of Maharashtra	Nashik in the State of Maharashtra	1.00	1.00	15.37	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.**

   During the financial year 2018-19, the Company has undertook various projects/programmes, as mentioned above for the benefit of the society at large. However certain planned projects of capital nature carrying large amount of expenditure could not be executed due to regulatory and technical hassle, which became the primere as on that the company could not spent the entire planned amount during the year. As decided earlier, the Company shall kept its focus in the area of healthcare and education with respect to CSR activities through blood donation camps, distribution of school bags and stationary among the Children's in Schools to drive them as motivation for Education drives and other general healthcare and medical facilities in various parts of the country through the development of infrastructure and sanitation in the low income government schools. Apart from these two core areas the Company has also spent in the area of eradicating poverty etc. CSR Committee of the Company has also recommended long term projects or programmes to be carried out in the coming years, which will impact the larger section of the society through sustainable means.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is incompliance 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 as set in the CSR policy of the Company.

Ajay Relan
Managing Director
(DIN:00257584)

Sharda Relan
Chairperson of CSR Committee
(DIN:00252181)

ANNEXURE III

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[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	80%
2	Car seats frame and seats cover	29303	18%
3	Others	-	2%
	Total		**100%**

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.:-1, Nelson Mandela Road, Vasant Kunj New Delhi 110070	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.:- 5th Floor, Caddie commercial Tower at Aerocity (DIAL) New Delhi 110037	U34100DL2015PTC276049	ASSOCIATE	50%	2(6)
5	NDR Auto Components Limited* Reg. off.:-D-188, Okhla Industrial Area Phase-I Delhi 110020	U29304DL2019PLC347460	Wholly Owned Subsidiary	100%	2(87)

*Company was incorporated on March 19, 2019

(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. 01.04.2018				No. of Shares held at the end of the year i.e 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
Individuals/ Hindu Undivided Family	43,39,555	0	43,39,555	72.98	43,52,579	0	43,52,579	73.20	0.22
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	NIL
Bodies Corporate	0	0	0	0	0	0	0	0	NIL
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	NIL
Sub Total(A)(1)	**43,39,555**	**0**	**43,39,555**	**72.98**	**43,52,579**	**0**	**43,52,579**	**73.20**	**0.22**
(2) Foreign									
Individuals (Non- Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	NIL
Bodies Corporate	0	0	0	0	0	0	0	0	NIL
Institutions	0	0	0	0	0	0	0	0	NIL
Any Others	0	0	0	0	0	0	0	0	NIL
Sub Total(A)(2)	0	0	0	0	0	0	0	0	NIL
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**43,39,555**	**0**	**43,39,555**	**72.98**	**43,52,579**	**0**	**43,52,579**	**73.20**	**0.22**
B. Public shareholding									
(1) Institutions									
Mutual Funds/ UTI	0	0	0	0	0	0	0	0	NIL
Financial Institutions / Banks	6,294	0	6,294	0.11	5496	0	5496	0.09	(0.02)
Central Government/ State Government(s)	4,900	0	4,900	0.08	7100	0	7100	0.11	0.03
Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
Insurance Companies	0	0	0	0	0	0	0	0	NIL
Foreign Institutional Investors/ Foreign Portfolio Investors	41,224	0	41,224	0.69	30742	0	30742	0.51	(0.18)
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	NIL
Sub-Total (B)(1)	**52,418**	**0**	**52,418**	**0.88**	**43338**	**0**	**43338**	**0.73**	**(0.15)**
(2) Non-institutions									
Bodies Corporate	3,02,105	1,850	3,03,955	5.11	2,77,969	1,850	2,79,819	4.71	(040)
Individuals									
Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	6,03,605	51556	6,55,161	11.02	5,19,228	62,700	5,81,928	9.79	(1.23)
Individual - ii Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	5,07,529	62,700	5,70,229	9.59	630928	28247	659175	11.09	1.50
Any Other									
NBFC	270	0	270	0.01	10	0	10	0.00	(0.00)
Clearing Members	3450	0	3450	0.05	1473	0	1473	0.02	(0.03)
NRI	21,288	0	21,288	0.36	28004	0	28004	0.47	(0.11)
Sub-Total (B)(2)	**14,38,247**	**116,106**	**15,54,353**	**26.14**	**1,45,612**	**92,797**	**15,50,409**	**26.08**	**(0.06)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**14,90,665**	**116,106**	**16,06,771**	**27.02**	**15,00,950**	**92,797**	**15,93,747**	**26.79**	**(0.22)**
TOTAL (A)+(B)	**58,30,220**	**1,16,106**	**59,46,326**	**100**	**58,53,529**	**92,797**	**59,46,326**	**100**	

IV. (ii) SHAREHOLDING OF PROMOTERS

S. N.	Name of the Promoter	Shareholding at the beginning of the year i.e. 01.04.2018			Shareholding at the end of the year i.e 31.03.2019			% 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	1914195	32.19	0	1927219	32.41	0	0.22
2	Ritu Relan	742520	12.49	0	742520	12.49	0	-
3	Mala Relan	520826	8.76	0	520826	8.76	0	-
4	Rohit Relan	428818	7.21	0	428818	7.21	0	-
5	Aashim Relan	304440	5.12	0	304440	5.12	0	-
6	Rishabh Relan	121433	2.04	0	121433	2.04	0	-
7	Pranav Relan	92265	1.55	0	92265	1.55	0	-
8	Ayush Relan	68421	1.15	0	68421	1.15	0	-
9	Rohit Relan (HUF)	44400	0.75	0	44400	0.75	0	-
10	Narinder Dev Relan (HUF)	30000	0.51	0	30000	0.51	0	-
11	Ajay Relan (HUF)	19200	0.32	0	19200	0.32	0	-
12	Ram Prakash Choudhary	600	0.01	0	600	0.01	0	-
13	Indira Choudhary	52437	0.88	0	52437	0.88	0	-
	TOTAL	**4339555**	**72.98**	**0**	**4352579**	**73.20**	**0**	**-**

IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018)/end of the year(31/03/2019)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	Ajay Relan (HUF)	19200	0.32	1-Apr-18	-	No Transaction		
		19200	0.32	31-Mar-19			19200	0.32
2	Narinder Dev Relan (HUF)	30000	0.50	1-Apr-18	-	No Transaction		
		30000	0.50	31-Mar-19			30000	0.50
3	Rohit Relan (HUF)	44400	0.75	1-Apr-18	-	No Transaction		
		44400	0.75	31-Mar-19			44400	0.75
4	Rohit Relan	428818	7.21	1-Apr-18	-	No Transaction		
		428818	7.21	31-Mar-19			428818	7.21
5	Ritu Relan	742520	12.49	1-Apr-18	-	No Transaction		
		742520	12.49	31-Mar-19			742520	12.49
6	Ram Prakash Choudhary	600	0.01	1-Apr-18	-	No Transaction		
		600	0.01	31-Mar-19			600	0.01
7	Indira Choudhary	52437	0.88	1-Apr-18	-	No Transaction		
		52437	0.88	31-Mar-19			52437	0.88
8	Aashim Relan	304440	5.12	1-Apr-18	-	No Transaction		
		304440	5.12	31-Mar-19			304440	5.12
9	Mala Relan	520826	8.76	1-Apr-18	-	No Transaction		
		520826	8.76	31-Mar-19			520826	8.76
10	Pranav Relan	92265	1.55	1-Apr-18	-	No Transaction		
		92265	1.55	31-Mar-19			92265	

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018)/end of the year(31/03/2019)		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
11	Ayush Relan	68421	1.15	1-Apr-18	-	No Transaction		
		68421	1.15	31-Mar-19			68421	1.15
12	Rishabh Relan	121433	2.04	1-Apr-18	-	No Transaction		
		121433	2.04	31-Mar-19			121433	2.04
13	Ajay Relan	1914195	32.19	1-Apr-18				
				06-Jul-18	Increase	Purchase	1914413	32.19
				13-Jul-18	Increase	Purchase	1915546	32.21
				20-Jul-18	Increase	Purchase	1918298	32.26
				27-Jul-18	Increase	Purchase	1920297	32.29
				12-Oct-18	Increase	Purchase	1926549	32.40
				19-Oct-18	Increase	Purchase	1927219	32.41
		1927219	32.41	31-Mar-19			1927219	32.41

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

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

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	ANKITA CHANNA	50000	0.8408	01-Apr-18		No Transaction		
		50000	0.8408	31-Mar-19			50000	0.8408
2.	ASHISH THAREJA	27350	0.4599	01-Apr-18				
				27-Apr-2018	100	Purchase	27450	0.4616
				04-May-2018	90	Purchase	27540	0.4631
		27540	0.4631	31-Mar-19			27540	0.4631
3	BRAHAM ARENJA	60000	1.0090	01-Apr-18				
		60000	1.0090	31-Mar-19			60000	1.0090
4	NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED	45700	0.7685	01-Apr-18	-			
				13-Apr-18	50	Purchase	45750	0.7694
				04-May-18	3	Purchase	45753	0.7694
				01-Jun-18	33	Sale	45720	0.7689
				15-Jun-18	20	Sale	45700	0.7685
				22-Jun-18	20	Purchase	45720	0.7689
				27-Jul-18	17103	Purchase	62823	1.0565
				03-Aug-18	10	Sale	62813	1.0563
				10-Aug-18	5	Sale	62808	1.0562
				31-Aug-18	3	Sale	62805	1.0562
				21-Sep-18	3	Purchase	62808	1.0562
				12-Oct-18	37800	Sale	25008	0.4206

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
4	NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED			26-Oct-18	1450	Purchase	26458	0.4449
				02-Nov-18	12920	Purchase	39378	0.6622
				09-Nov-18	2000	Purchase	41378	0.6959
				16-Nov-18	7080	Purchase	48458	0.8149
				14-Dec-18	670	Purchase	49128	0.8262
				28-Dec-18	800	Purchase	49928	0.8396
				11-Jan-19	24920	Sale	25008	0.4206
				25-Jan-19	6635	Purchase	31643	0.5321
				01-Feb-19	400	Purchase	32043	0.5389
				08-Feb-19	265	Purchase	32308	0.5433
				08-Mar-19	2055	Purchase	34363	0.5779
				15-Mar-19	15200	Purchase	49563	0.8335
		49563	0.8335	31-Mar-19			49563	0.8335
5	RAJIV TANDON	29000	0.4877	01-Apr-18		No Transaction		
		29000	0.4877	31-Mar-19			29000	0.4877
6.	RUNNER MARKETING PRIVATE LIMITED	28646	0.4817	01-Apr-18				
				27-Jul-18	17100	Sale	11546	0.1942
				03-Aug-18	654	Purchase	12200	0.2052
				12-Oct-18	37800	Purchase	50000	0.8409
				26-Oct-18	14350	Sale	35650	0.5995
				02-Nov-18	12920	Sale	22730	0.3823
				09-Nov-18	2000	Sale	20730	0.3486
				16-Nov-18	7080	Sale	13650	0.2296
				14-Dec-18	670	Sale	12980	0.2183
				11-Jan-19	24920	Purchase	37900	0.6374
				18-Jan-19	5773	Sale	32127	0.5403
				25-Jan-19	11238	Purchase	43365	0.7293
				01-Feb-19	400	Sale	42965	0.7225
				08-Feb-19	265	Sale	42700	0.7181
				08-Mar-19	2055	Sale	40645	0.6835
				15-Mar-19	15200	Sale	25445	0.4279
		25445	0.4279	31-Mar-19			25445	0.4279
7	USHA CHANNA	32262	0.5426	01-Apr-18		No Transaction		
		32262	0.5426	31-Mar-19			32262	0.5426
8	VANDANA CHANNA	56700	0.9535	01-Apr-18				
				01-Jun-18	200	Sale	56500	0.9502
				08-Jun-18	300	Purchase	56800	0.9552
				03-Aug-18	700	Sale	56100	0.9434
				28-Sep-18	300	Purchase	56400	0.9485
				12-Oct-18	350	Purchase	56750	0.9544
				02-Nov-18	270	Purchase	57020	0.9589

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
				14-Dec-18	100	Purchase	57120	0.9606
				25-Jan-19	100	Purchase	57220	0.9623
				01-Feb-19	200	Purchase	57420	0.9656
				15-Feb-19	600	Purchase	58020	0.9757
				22-Feb-19	200	Purchase	58220	0.9791
				15-Mar-19	300	Sale	57920	0.9740
		58020	0.9757	31-Mar-19			58020	0.9757
9.	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD	70000	1.1772	01-Apr-18		No Transaction		
		70000	1.1772	31-Mar-19			70000	1.1772
10	VINOD KANTILAL SHAH	60000	1.0090	01-Apr-18				
				16-Nov-18	5000	Purchase	65000	1.0931
				01-Mar-19	5000	Sale	60000	1.0090
		60000	1.0090	31-Mar-19			60000	1.0090

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

IV (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIALPERSONNEL:

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reasons	No. of shares	% of total share capital
1	Shri Kishan N Parikh	150	0.00	1-Apr-18		No Transaction		
		150	0.00	31-Mar-19			150	0.00
2	Shri Ajay Relan	1914195	32.19	1-Apr-18				
				06-Jul-18	218	Purchase	1914413	32.19
				13-Jul-18	1133	Purchase	1915546	32.21
				20-Jul-18	2752	Purchase	1918298	32.26
				27-Jul-18	1999	Purchase	1920297	32.29
				12-Oct-18	6252	Purchase	1926549	32.40
				19-Oct-18	670	Purchase	1927219	32.41
		1927219	32.41	31-Mar-19			1927219	32.41
3	Smt. Sharda Relan	-	-	1-Apr-18		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-19			-	-
4	Shri Rohit Relan	428818	7.21	1-Apr-18		No Transaction		
		428818	7.21	31-Mar-19			428818	7.21

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reasons	No. of shares	% of total share capital
5	Shri Ram Parkash Choudhary	600	0.01	1-Apr-18		No Transaction		
		600	0.01	31-Mar-19			600	0.01
6	Shri Satinder Kumar Lambah	-	-	1-Apr-18		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-19			-	-
7	Prof. Ashok Kumar Bhattacharya	-	-	1-Apr-18		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-19			-	-
8	Shri Bireswar Mitra	600	0.01	1-Apr-18				
				12-Oct-18	100	Purchase	700	0.01
				22-Feb-19	75	Purchase	775	0.01
		775	0.01	31-Mar-18			775	0.01
9	Shri Vivek Bhatia	-	-	1-Apr-18		Nil holding / movement during the year		
		-	-	31-Mar-19				
10	Shri Nitin Vishnoi	1000	0.02	1-Apr-18		No Transaction		
		1000	0.02	31-Mar-19			1000	0.02

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

I. INDEBTNESS

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	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**
Change in Indebtedness during the financial year*				
Addition	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
Net Change	**NIL**	**NIL**	**NIL**	**NIL**
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**

II. REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Ajay Relan	Sharda Relan	Bireswar Mitra	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	540.00	446.00	19.80	**1005.80**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11.23	12.81	4.83	**28.87**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit				
5	Others including provident Fund & reimbursements	28.80	29.52	1.58	**59.90**
	Total (A)	**580.03**	**488.33**	**26.21**	**1094.57**
	Ceiling as per the Act#				**1331.93**

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

B. **Remuneration to other directors:**

(Rs. inLakhs)

S. No.	Particulars of Remuneration	Name Of Directors						Total Amount
		Rohit Relan	R.P. Choudhary	S.K. Lambah	Kishan Nagin Parikh	Ashok K. Bhattacharya	Udayan Banerjee	
1.	**Independent Directors**							
	- Fee for attending board committee meetings	-	-	5.20	4.40	3.20	**1.00**	**13.80**
	· Commission							
	· Others, pleasespecify							
	Total (1)			**5.20**	**4.40**	**3.20**	**1.00**	**13.80**
2.	**Other Non-Executive Directors**							
	· Fee for attending board committee meetings	1.60	2.80	-	-	-		**4.40**
	· Commission							
	· Others, pleasespecify							
	Total (2)	**1.60**	**2.80**	-	-	-		**4.40**
	Total (B)=(1+2)	**1.60**	**2.80**	**5.20**	**4.40**	**3.20**	**1.00**	**18.20**
	Total Managerial Remuneration (A)+(B)							**1,112.77**
	Overall Ceiling as per the Act	Being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013						**1,465.13**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHERTHANMD/MANAGER/WTD (Rs. inLakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
		Vivek Bhatia	Nitin Vishnoi	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	104.84	25.33	**130.17**
	(b) Value of perquisites u/s 17(2) Income- tax Act,1961	0.40	-	**0.40**
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	**-**
2	Stock Option	-	- -	**-**
3	Sweat Equity	-	- -	**-**
4	Commission - as % of profit	-	-	**-**
	- Others, specify	-	- -	**-**
5	Others including Provident Fund & reimbursements	12.03	12.30	**24.33**
	Total (A)	**117.27**	**37.63**	**154.90**
	Ceiling as per the Act	N.A.	N.A.	N.A.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OFOFFENCES:

There were no penalties / punishments / compounding of offences for the year ending 31st March, 2019.

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

Sharda Relan
Co-Chairperson
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

Date : 12th August, 2019
Place : New Delhi

ANNEXURE IV

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

Requirements of Rule 5(1)		Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;		(i) Shri Kishan N Parikh -NA (ii) Shri Ajay Relan –1:132.12% (iii) Smt. Sharda Relan –1:111.16% (iv) Shri Rohit Relan –NA (v) Shri R. P. Choudhary -NA (vi) Shri Satinder KumarLambah-NA (vii) Prof. A. K. Bhattacharya –NA (viii) Shri Bireswar Mitra –1:5.92% (ix) Shri Udayan Banerjee –NA
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;		Directors : (i) Shri Kishan N Parikh -NA (ii) Shri Ajay Relan –14.60% (iii) Smt. Sharda Relan –5.40% (iv) Shri Rohit Relan – NA (v) Shri R. P. Choudhary – NA (vi) Shri Satinder Kumar Lambah-NA (vii) Prof. A. K. Bhattacharya – NA (viii) Shri Bireswar Mitra –14.40% (ix) Shri Udayan Banerjee –NA Key Managerial Personnel (i) Shri Vivek Bhatia, CFO –8.8% (ii) Shri Nitin Vishinoi, Company Secretary –43.90%
(iii) the percentage increase in the median remuneration of employees in the financial year;		14.60%
(iv) the number of permanent employees on the rolls of company;		1241 employees as on 31st March, 2019
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;		Average increase in remuneration of non-managerial personnel is 11.39% against which the increase in average salary of managerial personnel is 10.31%, which is in the same range and does not need any justification.
(vi) affirmation that the remuneration is as per the remuneration policy of the company		Remuneration paid during the year ended 31st March, 2019 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 2017-18 and have excluded the employees not eligible for increment.

ANNEXURE V

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,2019:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age As on 31.03.19	Last employment held
Ajay Relan	Managing Director	580.03	B.Com (Hons.) OPM From,Harvard Business School USA 35 years	01-09-1986	57 years	N.A.
Sharda Relan	Co-Chairperson	488.33	Graduate 52 years	10.08.2016	84 years	N.A.
Aashim Relan	Chief Operating Officer (COO)	147.03	Graduate in Economics major from "Emory University, Atlanta (U.S.A) 7 years	28.06.2012	29 years	N.A.
Vivek Bhatia	President & CFO	116.33	Chartered Accountant & Company Secretary 28 years	01.07.2016	51 years	Jamna Auto Limited
SH Lee	CEO - MWC Plant	80.76	Mechanical Engg. 33 years	07.10.2010	54 years	LG Metals
Sanjiv Kumar Yogi	President - Purchase & SCM	81.31	MBA, M.Tech. 24 years	14.08.2015	46 years	India Yamaha Motor Pvt. Ltd.
Abinash Upadhyay	Chief Peoples Officer	73.92	Post Graduate Diploma in PM 26 years	21.03.2016	51 years	Apollo Tyre Ltd.
Sitangshu Goswami	President Sales & Strategy	73.92	DME 32 years	03.02.2016	53 years	Magna Steyr
Atul Sheth	COO-Western Region	58.14	Post Graduate Diploma in Automobile Engg. 35 years	15.04.2013	57 years	Lear Corporation
K. K. Sharma	President	45.19	B.Com 27 Years	14.06.1993	48 years	N.A.

Employed for part of the year ended 31st March, 2019:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age As on 31.03.19	Last employment held
Craig Llewelyn Jones	Director – Technical	82.20	Diploma in Welding 24 years	25-07-2018	43 years	WeldTech Solutions
Jan Friedrich Brand	Director – R&D	114.65	Ph.D 27 years	16-07-2018	50 years	Tenneco

Notes:

1. The term 'remuneration' has the meaning assigned to it under the Companies Act,2013.
2. The nature of employment of Shri Ajay Relan, Shri S H 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 son's of Smt. Sharda Relan. Shri Aashim Relan is the son of Shri Ajay Relan.
4. Except Shri Ajay Relan and Shri Aashim Relan, who are holding 32.73% and 5.12% equity shares of the Company respectively, none of the above employees holds more than 2% of the equity share capital of the Company as on 31st March, 2019 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

ANNEXURE VI

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 OFENERGY:

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

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

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

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

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

- Solar Power plant have been initiated in the Nasik and Chakan plant.
- Company is using Wind Power as its major power source in Chennai Plant.

(iii) The capital investment on energy conservation equipments:

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

B. TECHNOLOGICAL ABSORPTION:

(i) The efforts made towards technology absorption;

- Improved performance of exhaust system;
- BS VI Advanced technology orientation through workshop and internship programmes
- Managing extended enterprises for quality supply for better warranty Management Emphasis on absorption of design and manufacturing technology such as controlled canning, micro mig welding;Expansion and modernization programme such robo welding uniform across plants.;

(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, introduction of mixing devise for UI improvement;

- Improving fuel economy and consequent reduction in CO2 through low back pressure;
- Improvement in core competencies and standardization and correlation;
- 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. 319.97 Lakhs
- Revenue Expenditure – Rs. 2328.55 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual in flows during the year and the foreign exchange out go 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 2018-19.

ANNEXURE VII

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 2019, 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	Up to a maximum of Rs. 600 crores (actual amount of transaction Rs.245.11 crore) per annum for sale, purchase or supply of goods, materials and Rs. 150 crores (actual amount of transaction Rs. 0.58 crore) per annum for selling or otherwise disposing off or buying property of any kind and tools/ job charges.	Surplus funds invested through Relan Industrial Finance Limited shall be subject to a maximum limit of Rs. 50 Crores per transaction, However remaining outstanding amount at any point of time shall not exceed Rs. 300 Crores during any financial year.
Date(s) of approval by the Board, if any	Since the transaction entered into ,is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on 12th February,2018 as per SEBI (LODR) Regulations, 2015.	Since the transaction entered in to ,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 12th February, 2018 as per SEBI (LODR) Regulations, 2015.
Amount paid as advances, if any:	Nil	Nil

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

	Sharda Relan	Ajay Relan
Date : 12th August, 2019	Co-Chairperson	Managing Director
Place : New Delhi	(DIN:00252181)	(DIN:00257584)

Annexure – VIII

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

Sl No.	1
Name of the Subsidiary	**NDR AUTO COMPONENTS LIMITED**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No.
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	In Rupees
Share capital	Rs. 1,00,000/-
Reserves & surplus	(Rs. 76,791/-)
Total assets	Rs.1,00,000/-
Total Liabilities	Rs. 1,00,000/-
Investments	-
Turnover	-
Profit before taxation	(Rs.76,791)
Provision for taxation	-
Profit after taxation	(Rs.76,791)
Proposed Dividend	-
% of shareholding	100%

* NDR Auto Components Limited was incorporated on 19/03/2019 and first financial period is 19/03/2019 to 31/03/2020.

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, 2019	31st March, 2018	31st March, 2018	31st March, 2018
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	2996.66	371.15	(8.89)	394.04
7.	Profit/Loss for the year				
	i. Considered in Consolidation	618.59	60.33	(0.24)	100.24
	ii. Not Considered in Consolidation	1539.79	67.70	(0.24)	100.24

* Based on the Unaudited Financial Statement as provided by the Company.

Notes

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

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

Kishan N Parikh
Chairperson
DIN:00453209

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 12th August, 2019
Place : New Delhi

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

In line with the requirements of Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), your directors are pleased to present the Company's annual report on Corporate Governance for the year ended 31st March, 2019, in the prescribed format and forming part of the Board Report:

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

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

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

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

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

2. BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. As on 31st March, 2019, the Board of Directors of the Company consist nine directors, chaired by Shri Kishan N. Parikh, Non-Executive Independent Director. The composition of the Board is in conformity with Listing Regulations. All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

The Board met Six (6) times during the financial year 2018-19 on 26th May, 2018, 03rd August, 2018, 12th November, 2018, 13th February, 2019, 25th February, 2019 and 08th March, 2019. The maximum gap between any two meetings did not exceed 120 days.

In addition to the above, during the year under review a separate meeting of Independent Directors was held on 13th February, 2019 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, 2019 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 27th September, 2018	Directorship of other public companies*		Name& Category of Directorship held in the Listed Entities including this Listed Entity	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	6	6	YES	1	3	1. Pebco Motors Ltd. (Managing Director) 2. Sharda Motor Industries Limited (Non-Executive Independent Director) 3. Bharat Seats Limited^ (Non-Executive Independent Director)	0	2	150
2.	Shri Satinder Kumar Lambah $ (07425155) (Director)	Independent/ Non- executive Director	6	6	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL
3.	Prof. Ashok Kumar Bhattacharya (02804551) (Director)	Independent/ Non- executive Director	6	6	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL

4.	Shri Ajay Relan (00257584) (Managing Director & CEO)	Promoter / Executive Director	6	6	YES	0	3	1. Bharat Seats Limited (Non-Executive Non-Independent Director) 2. Sharda Motor Industries Limited(Managing Director)	0	0	1927219
5.	Smt. Sharda Relan (00252181) (Director)	Promoter / Executive Director	6	6	YES	1	3	1. Bharat Seats Limited (Non-Executive Non-Independent Director) 2. Sharda Motor Industries Limited (Executive Director)	0	0	NIL
6.	Shri Rohit Relan (00257572) (Director)	Promoter /Non-Independent/ Non- executive Director	6	4	NO	1	2	1. Bharat Seats Limited (Managing Director) 2. Sharda Motor Industries Limited (Non-Executive Non-Independent Director)	0	0	4,28,818
7.	Shri Ram Prakash Choudhary @ (00337775) (Director)	Non-Independent/ Non- executive Director	6	5	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Non-Independent Director)	0	0	600
8.	Shri Bireswar Mitra (06958002) (Director)	Non-Independent/ executive Director	6	2	YES	0	0	1. Sharda Motor Industries Limited (Executive Director)	0	0	775
9.	Shri Udayan Banerjee ## (DIN: 0339754), (Additional Director)	Independent/ Non- executive Director	2	2	-	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL

^ Ceased to be Director of the Company w.e.f April 1, 2019.

Note: Shri Ajay Relan and Shri Rohit Relan are son's of Smt. Sharda Relan. Shri R.P. Choudhary 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.*

@ Shri Ram Prakash Choudhary has tendered his resignation from Directorship of the Company w.e.ffrom the closing of Business hours of 31st March, 2019

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

Shri Udayan Banerjee, appointed as Additional Director on the Board of the Company w.e.f. 13th February, 2019 subject to approval of the member in this Annual General Meeting, he is further appointed as Non- executive Independent Director of the Company.

$ In Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations, the Shareholders of the Company by means of Voting through Postal Ballot on March 26, 2019, has approved the continuation of Shri Satinder Kumar Lambah as Non-Executive Independent Director of the Company for his present tenure till February 4, 2021.

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 in compliance with various eligibility criteria laid down by the applicable laws among other things and not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. 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'.

FOLLOWING IS THE LIST OF CORE SKILLS/ EXPERTISE/ COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF THE COMPANY'S BUSINESS(S) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY AND THOSE ACTUALLY AVAILABLE WITH THE BOARD :

a) **Financial:** Proficiency in understanding financial reporting, making capital allocation decisions, challenging and help optimise complex financial transactions, help ensure long-term financial health of the company.

b) **Strategic and Planning:** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

c) **Global Business:** Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.

d) **Governance:** Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

e) **Leadership:** Leadership experiences for setting goals and with understanding of leading change, practical management of people, products, strategy and industry networking.

f) **Innovation & Technology:** Technical / Professional Skills with specialized knowledge to assist the ongoing aspects of the business and to adapt with the continuous rapid changes in technology and customer behaviour, the company needs to be constantly striving for new products /services to be introduced into markets. The ability for innovation and demonstrating a culture of entrepreneurship is necessary.

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 presently comprise Four (4) Non-Executive/ Independent Directors and one Executive Director of the Company. All the Five 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. (v) review of internal control systems and accounting policies followed by the Company(vi) review of the financial statements with the management before their submission to the Board for approval etc. In addition to the above, 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 27th September, 2018 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, 2019, the Audit Committee meetings were held on 26th May, 2018, 03rd August, 2018, 12th November, 2018, 13th February, 2018 and 8th March, 2019.

The Composition and attendance of Members at the meeting held during the financial year 2018-19 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent & Non- Executive	Chairperson	5	5
Smt. Sharda Relan	Non-Independent & Executive	Member	5	5
Shri Satinder Kumar Lambah	Independent & Non-Executive	Member	5	5
Prof. Ashok Kumar Bhattacharya*	Independent & Non- Executive	Member	1	1
Shri Udayan Banerjee*	Independent & Non- Executive	Member	1	1

* Appointed as a member of the Committee w.e.f. 13th February, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee comprises of five 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 were held on 26th May, 2018, 3rd August, 2018 and 13th February, 2019.

The Composition and attendance of Members at the meeting held during the financial year 2018-19 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	2
Shri R. P. Choudhary**	Non-Independent, Non- Executive	Member	3	2
Shri Udayan Banerjee*	Independent, Non-Executive	Member	None	-

*Appointed as a member of the Committee w.e.f. 13th February, 2019.

** Shri Ram Prakash Choudhary has tendered his resignation from Directorship of the Company w.e.f the closing of Business hours from 31st March, 2019, accordingly he shall cease to be the Member of the Committee.

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), subject to the approval of the Shareholders of the Company at the General Meeting,

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

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

EXECUTIVE DIRECTORS (Rs. in Lakhs)

Name of Director	Salary	Perks	Performance Incentive	Total
Smt Sharda Relan	246.00	42.33	200.00	**488.33**
Shri Ajay Relan	240.00	40.03	300.00	**580.03**
Shri Bireswar Mitra	19.80	6.41	Nil	**26.21**
Total	**505.80**	**88.77**	**500.00**	**1094.57**

NON-EXECUTIVE DIRECTOR (Rs. in Lakhs)

Name of Director	Sitting fee
Shri Kishan N Parikh	4.40
Shri Satinder Kumar Lambah	5.20
Prof. Ashok Kumar Bhattacharya	3.20
Shri Ram Prakash Choudhary*	2.80
Shri Rohit Relan	1.60
Shri Udayan Banerjee **	1.00
TOTAL	**18.20**

**Appointed as Director of the Company w.e.f. 13th February, 2019.

* Shri Ram Prakash Choudhary has tendered his resignation from Directorship of the Company w.e.f from the closing of Business hours from 31st March, 2019.

Notes:

1. The tenure of executive directors of the Company is 5 years from the date of their re-appointment at current designation;
2. At present the Company does not have any Employee Stock Option Scheme;
3. Notice period is three calendar months or lesser notice in writing as may be agreed mutually;
4. There is no separate provision for payment of severance fee under there solutions 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 2018-19 on 26th May, 2018, 03rd August, 2018, 12th November, 2018 and 13th February, 2019. 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 27th August, 2018.

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

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- to consider and approve demat / remat of shares / split / consolidation / sub-division of share / debenture certificates;
- to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc;
- to oversee and review all matters connected with the transfer of the Company's securities;
- to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

The composition of the Committee and their attendance at the Committee meeting held during the year ended 31st March, 2019 are tabulated hereunder:

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

* Shri Ram Prakash Choudhary has tendered his resignation from Directorship of the Company from the closing of Business hours of 31st March, 2019, consequent to which he cease to be the Chairperson and member of the Committee.

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, 2019, status of investor grievance is tabulated hereunder:

PARTICULAR		Numbers
Complaint pending as on 1st April, 2018	:	NIL
Complaints received during the financial year 2018-19	:	None
Complaints disposed off up to the satisfaction of shareholder during the financial year 2018-19	:	Not Applicable
Complaints pending as on 31st March, 2019	:	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 are pending as on 31st March, 2019.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Corporate Social Responsibility Committee of the Company consists off our directors having two non-executive independent and two executive directors. The Company Secretary acts as the Secretary of the Committee. Terms of reference of the Committee are in line with the Companies Act, 2013.

During the Financial Year 2018-19, CSR Committee Meeting was held on 13th February, 2019. The Composition of the Committee along with the attendance of its Members are as under:

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

The Corporate Social Responsibility Report for the year ended 31st March, 2019 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
33	2017-18	PHD Chamber of Commerce, New Delhi	27.09.2018	12:00 noon	None
32	2016-17	PHD Chamber of Commerce, New Delhi	30.08.2017	12:00 noon	None
31	2015-16	PHD Chamber of Commerce, New Delhi	07.09.2016	11:30 am	Two

B. Extraordinary General Meetings

No Extraordinary General Meetings was held during the year under review.

C. Resolutions Passed through Postal Ballot, during the year under review

In Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations, the Company had sought the approval of the shareholders by way of a Special Resolution passed through notice of Postal Ballot dated 13th February, 2019 for taking approval of the members of the company for continuation of Directorship of Sh. Satinder Kumar Lambah (DIN: 07425155) as Independent Director from April 1, 2019 for the remaining period of his present Tenure, i.e. till 4th February, 2021. The Resolution was duly passed through Postal Ballot and the results of which were announced on 26th March, 2019.

Voting Pattern and Procedure for Postal Ballot

1. The Company had sent the Postal Ballot Notice dated 13th February, 2019 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode, whose names appear in the register of members as on 15th February, 2019.
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 24th March, 2019 (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 February, 2019 (9:00 AM IST) to 24th March, 2019 (05:00 PM IST).
3. Sh. Vineet K Chaudhary (Company Secretary in whole time practice, bearing Membership No. F 5327 & C. P. No. 4548), Managing Partner or failing of him Sh. Mohit K Dixit (Company Secretary in whole time practice, bearing Membership No. ACS 49021 & C.P. No. 17827), Partner of M/s. VKC & Associates, New Delhi, was appointed as the Scrutinizer for conducting the Postal Ballot / E-Voting process in a fair and transparent manner.
4. After proper scrutiny of the postal ballot forms/e-voting received upto 24th March, 2019 (05:00 PM IST), scrutinizer submitted his final report on 25th March, 2019.
5. The result of the Postal Ballot / e-voting was declared on 26th March, 2019.
6. The result of the postal ballot / e-voting 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.	%
Approval for continuation of Directorship of Sh. Satinder Kumar Lambah (DIN: 07425155) as Non- Executive Independent Director from April 1, 2019 for the remaining period of present Tenure, i.e. till February 4, 2021.	4600962	4598319	99.94	2643	0.06

8. DISCLOSURES

a) **Related Party Transactions:** The material financial and commercial transactions where they and / or their relatives have personal interest. The particulars of transactions between the Company and its related parties as per the Ind AS 24, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statements in the Annual Report. Further in pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions of the Company with the following Persons: (belonging to the promoter / promoter group holding 10% or more shares in the Company) of :

- Ajay Relan (Promoter / Managing Director) holding 32.41% of Equity Shares in the Company
- Ritu Relan (Member of Promoter Group) holding 12.49 % of Equity Shares in the Company

are prescribed in the Related Party Disclosures forming part in the Note 35 of Notes to Financial Statements.

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) Board has considered and accepted all the recommendations of the Committees of the Company.

c) During the year under review, No independent Director has resigned from the Directorship of the Company.

d) During the year under review, No funds by way of Preferential Allotment or by way of Qualified Institutional Placement was raised.

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

f) The above re-appointment is subject to the approval of members of the Company in the ensuing Annual General Meeting (AGM). A brief resume along with information required as per applicable laws of the above Director recommended for re-appointment at the AGM are furnished in the Notice of the Annual General Meeting of the Company.

g) 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.

h) 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.

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.

The Commodity price risk and Commodity hedging activities The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no Disclosure to offer in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018.

a) 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:

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

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

d) 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 ("Insider Trading Regulation") All Directors and designated employees who could have access to the unpublished price sensitive information are required to follow this code.

The SEBI has amended the Insider Trading Regulation vide. SEBI (Prohibition Of Insider Trading) (Amendment) Regulations, 2018 that are effective from April 1, 2019, considering which the Company has also adopted the revised code for conduct for "Prevention of Insider Trading and Fair Disclosure".

e) 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.

f) 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. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A Certificate in Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) confirming the Non-Disqualification of Directors obtained from Ms. Jaya Yadav, Practising Company Secretary (C.P. No.: 12070) has been enclosed as **Annexure - IX** to this Report.

10. CONFIRMATION OF INDEPENDENT DIRECTORS

The Company do hereby confirm that all the Independent Directors of the Company fulfills the conditions specified in the SEBI Listing Regulations and are Independent of the Management of the Company.

11. CREDIT RATINGS

The Credit Ratings of the Company by CRISIL's rating based on the Long Term Bank facilities of Sharda Motor Industries Limited (SMIL) is at 'CRISIL AA-/ Stable', The review of CRISIL's ratings confirms that the Ratings of Sharda Motor Industries Limited remains unaffected in view of Joint Venture, Family Settlement and Demerger of Seating Business of the Company. Further there are no debt instruments or any fixed deposit or any scheme or proposal for mobilization of funds are issued / proposed by the Company. Further the Credit Ratings of the Company given by Dun & Brad street remains "5A1".

12. TOTAL FEES PAID FOR ALL SERVICES TO THE STATUTORY AUDITORS FOR ALL SUBSIDIARIES ON A CONSOLIDATED BASIS TO THE STATUTORY AUDITOR AND FOR ALL ENTITIES IN FIRM/NETWORK ENTITY

M/s. Gupta Vigg & Co., Chartered Accountants, Statutory Auditors of Sharda Motor Industries Limited (the Company) are also the Statutory Auditors of the NDR Auto Components Limited, the Wholly Owned Subsidiary of the Company and the Consolidated Audit Fees paid by the Company to M/s. Gupta Vigg& Co., Chartered Accountants, Statutory Auditors during the FY 2018-19 are as:

S. No.	Particular of Expenses	Amount (in Rs.)	Total Amount (in Rs.)
Total Fees Paid by the Company for all the Services rendered by the Statutory Auditors			
1.	Audit Fees for FY 2018-19		850,000
2.	Fees for Issuance of Certificates related to Demerger (other capacity) Out of Pocket Expenses incurred for the same	300,000/- 26,349/-	326,349
Total Fees Paid by NDR Auto Components Limited (the Wholly Owned Company) for all Services to Statutory Auditors			
1.	Audit Fees for FY 2018-19		50,000
Total			**12,26,349**

13. DISCLOSURES WITH RESPECT TO THE COMPLAINT FOR SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company do hereby submit the following with respect to the Complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

a. number of complaints filed during the financial year - NIL

b. number of complaints disposed of during the financial year - NIL

c. number of complaints pending as on end of the financial year - NIL

14. MEANS OF COMMUNICATION

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

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.

15. GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting to be held:

Day : Friday

Date : 27th September, 2019

Time : 12:00 Noon

Venue : PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India

Financial Year : 1st April to 31st March

Date of Book Closure:21st September, 2019 to 27th September, 2019 (Both days inclusive)

Dividend Payment: No dividend was paid during the financial year.

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 2019-20 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-18	2010.00	1877.35	2020.00	1848.10
May-18	2305.95	1760.00	2314.00	1743.05
Jun-18	2190.00	1791.00	2181.00	1840.00
Jul-18	2300.00	1820.00	2300.00	1790.00
Aug-18	2343.95	1910.05	2340.00	1905.00
Sep-18	2020.00	1625.00	2020.00	1426.00
Oct-18	1696.95	1425.00	1695.55	1428.35
Nov-18	1652.00	1470.00	1647.75	1461.10
Dec-18	1588.00	1456.65	1598.00	1441.00
Jan-19	1509.85	1205.00	1517.75	1271.40
Feb-19	1639.00	1155.00	1631.20	1138.55
Mar-19	1665.40	1457.00	1661.00	1420.00

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

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

SHAREHOLDING

Distribution of shareholding as on 31st March, 2019

Category (No. of shares)	No. of shareholders	% of shareholders	No. of Shares	% of equity shares
1 to 100	7895	87.761	165233	2.779
101 to 500	790	8.782	183799	3.091
501 to 1000	115	1.278	85167	1.432
1001 to 5000	134	1.49	288206	4.847
5001 to 10000	17	0.189	120864	2.033
10001 to 20000	21	0.233	297164	4.997
20001 to 30000	8	0.089	213206	3.586
30001 to 40000	1	0.011	31014	0.522
40001 to 50000	3	0.033	143963	2.421
50001 to 100000	6	0.067	395387	6.649
100001 to 500000	3	0.033	841758	14.156
500001 to ABOVE	3	0.033	3180565	53.488
Total	**8996**	**100.00**	**5946326**	100.000

Shareholding Pattern as on 31st March, 2019

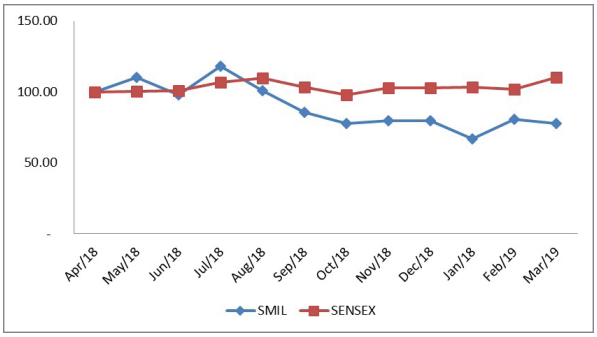
Category Code	Category	Total No. of shares	% of total no. of shares
(A)	**Promoters and Promoter Group**		
(i)	Resident Individual	43,52,579	73.20%
(B)	**Public Shareholding**		
	Foreign Portfolio Investors	30,742	0.52%
	Financial Institutions/ Banks	5,496	0.09%
	Central/ State Governments	7,100	0.12%
	Corporate Bodies	2,79,819	4.71%
	Resident Individuals/ HUF	12,00,814	20.19%
	NBFCs	10	0.00%
	Clearing Members	1,473	0.02%
	Non-Resident Indian (NRI)	28,004	0.47%
	HUF	40,289	0.68%
	Total Shareholding	59,46,326	100.00%

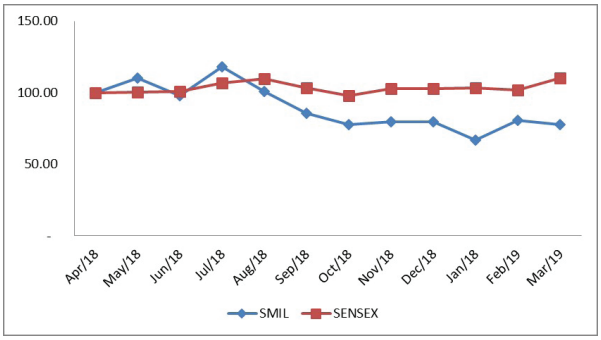
Performance of Sharda Motor Industries Limited (SMIL) share price in comparison of BSE SENSEX and NSE NIFTY 50

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

Base is considered to be 100 as at April, 2018 in both the charts. Further, during the year under review, Securities were never suspended from trading on the above said Stock Exchanges.

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





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

Dematerialization of shares and liquidity

The shares of the Company are generally traded in dematerialized form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India)Limited (CDSL). As on 31st March, 2019, 98.44% shares of the Company are held 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, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu - 602105
4. Mahindra World City, Changalpattu Taluk, Kanchepuram Dist. Industrial Park,Tamilnadu - 603002
5. Plot No. 276,Udyog Vihar, Phase-VI, Gurgaon (Haryana)
6. Plot no. 366, Pace City -II, Udyog Vihar, Phase - IV, Gurgaon - 122001
7. Plot No.4, Sector - 31, Greater Noida, Distt. Gautam Budh Nagar, (U.P.)
8. Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar (Uttranchal)
9. Plot No.112, M.I.D.C., Satpur, Nasik-7, Maharashtra
10. Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik–422007
11. C-506, Block - C, Pioneer Industrial Park (Village Bhudka) Pathredi, Gurgaon (Haryana)
12. Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujarat.
13. Plot No. 558, 559, Surajpur Bypass Industrial Area, Greater Noida, (U.P.)

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

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

Annexure-IX

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of Sharda Motor Industries Limited
D-188, Okhla Industrial Area,
Phase-1, New Delhi – 110020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sharda Motor Industries Limited, having CIN: L74899DL1986PLC023202 and Registered Office at D-188, Okhla Industrial Area, Phase-1,New Delhi – 110020, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S.No.	Name of Director	DIN	Date of Appointment in Company
1	Sharda Relan	00252181	29.01.1986
2	Rohit Relan	00257572	25.05.1991
3	Ajay Relan	00257584	29.01.1986
4	Udayan Banerjee	00339754	13.02.2019
5	Kishan Nagin Parikh	00453209	16.12.2005
6	Ashok Kumar Bhattacharya	02804551	28.10.2009
7	Bireswar Mitra	06958002	07.08.2014
8	Satinder KumarLambah	07425155	05.02.2016
9	Ram Prakash Choudhary*	00337775	29.08.1986

* Shri Ram Prakash Choudhary resigned from the Directorship of the Company w.e.f. the closing of business hours of 31st March, 2019.

(Jaya Yadav)
Practising Company Secretary
C.P. No. :12070

Place: Gurugram
Date: 5th August, 2019

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 2018-19.

For **Sharda Motor Industries Ltd**

Ajay Relan
Managing Director& CEO
DIN 00257584

CEO/CFO Certification

To,

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

CERTIFICATE FOR THE YEAR ENDED 31.03.2019

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 2018-19 and that to the best of our knowledge and belief:

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

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

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

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

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

  (i) that there are no significant changes in internal control over financial reporting during the year 2018-19;

  (ii) that there are no significant changes in accounting policies during the year 2018-19; 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

Place: Gurugram

Place: Delhi
Date: 27th May, 2019

AUDITORS' CERTIFICATE

To
The Members of
Sharda Motor Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Sharda Motor Industries Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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 to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

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

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

CA Deepak Pokhriyal
Partner
Membership No. 524778

Place: New Delhi
Date : 12th August, 2019

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 interestcosts.

A. INDUSTRY STRUCTURE, DEVELOPMENTS ANDOUTLOOK

The automobile industry in India is world's fourth largest, with the country currently being the world's 4th largest manufacturer of cars and 7th largest manufacturer of commercial vehicles in 2018. Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US$ 251.4-282.8 billion) by 2026. Two-wheelers dominate the industry and made up 81 per cent share in the domestic automobile sales in FY19. Overall, Domestic automobiles sales increased at 6.71 per cent CAGR between FY13-18 with 26.27 million vehicles being sold in FY19. In FY19, commercial vehicles recorded the fastest pace of growth in domestic sales at 17.55 per cent year-on-year, followed by three-wheelers at 10.27 per cent year-on-year. The passenger vehicle sales in India crossed the 3.37 million units in FY19, and is further expected increase to 10 million units by FY20. The government aims to develop India as a global manufacturing as well as a R&D hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRIP) centers as well as a National Automotive Board to act as facilitator between the government and the industry. The Indian government has also set up an ambitious target of having only electric vehicles being sold in the country. The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. In February 2019, the Government of India approved the FAME-II scheme with a fund requirement of Rs 10,000 crore (US$ 1.39 billion) for FY20-22. The Government of India expects automobile sector to attract US$ 8-10 billion in local and foreign investments by 2023.

B. OPPORTUNITIES &THREATS

Currently, the automotive sector contributes more than 7 percent to India's GDP. The Automotive Mission Plan 2016–26 sets an aspiration to increase the contribution to 12 percent. A number of economic trends could help in meeting this target. Rapid urbanization means the country will have over 500 million people living in cities by 2030 which is 1.5 times the current US population. Rising incomes will also play a role, as roughly 60 million households could enter the consuming class (defined as households with incomes greater than $8,000 per annum) by 2025.

To reduce dependency on oil imports, the government is promoting adoption of alternative fuels through FAME2. It is expected to incentivize electrification of the public-transport fleet of buses and taxis, as well as facilitate demand for all types of alternative fuel. Furthermore, to enable immediate adoption, a lower goods and services tax of 12 % is applied to battery electric vehicles, compared with 31 to 48 percent for other vehicles. Electrification has just started to take off in India. Factors such as declining prices of batteries and supportive policies from the government are stimulating the segment's growth. In 2017, only 2,352 units of electric vehicles were sold. However, early signs of growth are visible through an order for 10,000 electric vehicles by the government's energy-service company known as Energy Efficiency Services Limited.

The pros and cons of electrification continue to evolve. Reduction in emissions and less dependency on oil imports are clear advantages of electrification. The level of adoption of electric vehicles will determine its impact on the automobile industry. According to industry experts, people carriers like buses, two and three wheelers, luxury passenger vehicles, and light commercial vehicles could see maximum penetration by 2030.

THREATS

There is a direct relationship between the economic growth of the country and the performance of its major industries, including the automobile sector, which is also responsible for the allied sectors, especially auto component that is the most prominent amongthem.

The salaried class accounts for less than half of the automotive sales. Self employed people are generally the bigger source of auto sales, representing the larger unorganized economy in the country. Since the sentiment among small businesses has weakened, there is a pullback in discretionary spending such as automobiles.

Initial indicators on slowing of economy didn't raise an alarm as a result most of the companies missed it and has pushed production during festive season. As a result of low sales a huge inventory pile up is seen across all OEMs leading to production cuts now.

Further the Supreme Court of India has ruled out for the compliance of Bharat Stage IV Norms for all Vehicles to be manufactured and sold across the country with effect from April 1, 2020. In order to expedite, the Central Government skipped the BS-V norms altogether for the adoption of BS-VI norms by 2020. Some Manufacturers found that induction of such Technology would involve substantially higher development cost and manufacturing Vehicles would not lead as a viable option to the consumers in terms of cost, hence posing a threat of shutting down the Manufacturing Units, whereas some Manufacturers have already started the induction of Technology, leading to the overall slowdown of the Industry.

C. SEGMENT-WISE / PRODUCT-WISEPERFORMANCE

The company is operating under single segment since Company's primary business segment involves manufacturing, assembling and trading of automobile component.

D. RISKS ANDCONCERNS

The risks and concerns of the Indian auto component industry are closely linked with stiff overseas competition, uncertainty arising from currency volatility, low-priced imports, counterfeit parts and oil pricing. The industry efforts to mitigate the above

risks along with policy measures of the government would determine the impact of the above risks on the industry going forward.

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

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

To counter these risks, the Company has in place adequate risk measures and control systems which identify the risks, assess their severity, their potential effect on the performance of the Company through systematic reports and charts. Reports generated from the system are monitored regularly toensure 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 THEIRADEQUACY

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 toensure internal control processes and compliances. The Company takes abundant are 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 aNon-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 s ystem of internal controls designed to provide a high d egree of assurance regarding the effectiveness.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONALPERFORMANCE

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

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

G. HUMAN RESOURCES ANDDEVELOPMENT

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 criteria for hiring of best talent in the Company who can provide quality of work and add to the Company's growth.

The Company had 1241 permanent employees as on 31st March, 2019. The industrial relations remained peaceful and cordial throughout the year.

H. STATUTORY COMPLIANCE

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

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

SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

In pursuant to the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the SEBI Listing Regulations, There are no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios (Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin and Net Profit Margin) and no changes in Return on Net Worth of the Company was observed during the year under review.

Cautionary Statement

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

source : www.ibef.org

INDEPENDENT AUDITOR'S REPORT

To The Members of Sharda Motor Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters** In the standalone financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under the Note No. 20.1.(a) to the financial statements for the year ended 31.03.2019. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.	Our audit procedure included the following: • We discussed with themanagement regarding the internal control system foridentifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the standalone financial statements. • Obtained a detailedunderstanding and assumptions applied for considering thesematters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. • In addition, we engaged our internal tax expert to assess the appropriateness of Company's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 20.1 to the standalone financial statements.

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

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

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

(CA. Deepak Pokhriyal) *Partner*
Membership Number: 524778

Place of Signature: New Delhi
Date: May 27, 2019

Annexure 'A' To the Independent Auditors' Report

(**Annexure 'A' 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, 2019, we report that:

(i) In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company. One title deed has been mortgaged with banks for securing the short term borrowing, detail of the same are disclosed in Note No. 4 of the standalone Ind AS financial statements.

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

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

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

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

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

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and other applicable statutory dues with appropriate authorities. Further, there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable except duty of custom of Rs.6.59 lakhs.

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

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

5	Central Excise Act	Cenvat Credit	2.24	F.Y. 2007-08	Commissioner Central Excise & Service Tax (Appeals) LTU, New Delhi
			440.00	F.Y. 2008-09 & 2009-10	Hon'ble Supreme Court of India
			0.83	F.Y. 2015-16 & 2016-17	Asst. Comm. Central excise & Service tax LTU, New Delhi
			1.39	F.Y. 2014-15 & 2015-16	CESTAT, Chennai
			7.35	F.Y. 2010-11 & 2011-12	CESTAT, Mumbai
6	Income Tax Act	Income Tax	41.55	A.Y. 2012-13	ITAT, New Delhi
7	Income Tax Act	Income Tax	1.03	A.Y. 2013-14	CIT (Appeal), New Delhi

* Net of protest money paid.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Accordingly, the provisions of paragraph 3(viii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

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

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

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

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

(xiii) Based on our examination of the books of account and records of the Company, all transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable Indian accounting standards.

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

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to its directors. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

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

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

(CA. Deepak Pokhriyal) *Partner*
Membership Number: 524778

Place of Signature: New Delhi
Date: May 27, 2019

Annexure 'B' To the Independent Auditors' Report

Annexure 'B' To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of 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 with reference to financial statements of Sharda Motor Industries Limited ("the Company") as of March 31, 2019 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 controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA. Deepak Pokhriyal) *Partner*
Membership Number: 524778

Place of Signature: New Delhi

Date: May 27, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

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

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

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

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Place of Signature : New Delhi
Date : May 27, 2019

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

(Currency : ₹ in Lakhs except otherwise specified)

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

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place of Signature : New Delhi
Date : May 27, 2019

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

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

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

(Nitin Vishnoi)
Company Secretary
M.No. F3632

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

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital

	Amount
Balance as at March 31, 2017	**594.63**
Changes during the year	-
Balance as at March 31, 2018	**594.63**
Changes during the year	-
Balance as at March 31, 2019	**594.63**

B. Other Equity

	Reserve & Surplus				
	Capital Reserve	General Reserve	Retained earnings	Other comprehensive income-Remeasurement of defined benefit obligation	Total
Balance as at March 31, 2017	**0.20**	**21,025.68**	**6,915.96**	**(4.37)**	**27,937.47**
Profit for the year	-	-	7,861.02	-	7,861.02
Transfer to General Reserve	-		-	-	-
Other comprehensive income for the year, net of tax	-	-	-	4.24	4.24
Total Comprehensive Income	**-**	**-**	**7,861.02**	**4.24**	**7,865.27**
Payment of Dividend	-	-	(743.26)	-	(743.26)
Dividend Distribution Tax	-	-	(151.34)	-	(151.34)
Balance as at March 31, 2018	0.20	21,025.68	13,882.38	(0.13)	34,908.13
Profit for the year	-	-	8,786.04	-	8,786.04
Transfer to General Reserve	-		-	-	-
Other comprehensive income for the year, net of tax	-	-	-	(11.96)	(11.96)
Total Comprehensive Income	**-**	**-**	**8,786.04**	**(11.96)**	**8,774.09**
Payment of Dividend	-	-	(371.65)	-	(371.65)
Dividend Distribution Tax	-	-	(76.61)	-	(76.61)
Balance as at March 31, 2019	**0.20**	**21,025.68**	**22,220.17**	**(12.09)**	**43,233.95**
Summary of Significant Accounting Policies	3				

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

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Cash Flow Statement for the year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

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

Note:

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

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

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

As per our Report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place of Signature : New Delhi
Date : May 27, 2019

For & on behalf of Board of Directors of
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(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

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

Note 1: Corporate Information

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

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

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

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

2.2 Basis of preparation and presentation:

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

The principal accounting policies are set out below.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2019 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgments:

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

Judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019:

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

2.5 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The

directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

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

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

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

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

2.6 Operating cycle:

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

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

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

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

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities.Sale includes revision in prices received from customers with retrospective effect.

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

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

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

Rendering of Services

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

Dividend and Interest Income

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

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

3.2 Recognition of interest expense:

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

3.3 Property, Plant and Equipment (PPE):

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

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

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

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

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

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

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

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

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

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

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

3.4 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

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

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

3.5 Research & Development Costs:

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

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

3.6 Impairment of tangible and intangible assets:

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.7 Borrowing costs:

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

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

3.8 Foreign currencies:

Functional and presentational currency

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

Transactions and balances

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

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

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.9. Inventories:

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

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

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

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

3.10 Leases:

Determining whether arrangement contains a lease.

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

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

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

Assets held under lease

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

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

Lease payments

Payments made under operating leases are recognised in statement of profit or loss on a straight line basis over the term of the lease unless such payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expenses over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.11 Employee Benefits:

Short Term Employee Benefits

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

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

Post-Employment Benefits

Defined contribution plan

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

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

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

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

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

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

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

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

Other Long Term Employee Benefits

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

3.12 Provisions, Contingent liabilities and contingent assets:

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

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

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

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

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

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

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

3.13 Financial instruments:

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

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

(a) Financial Assets

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

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

Classification of financial assets

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

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

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

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

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

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Equity investment in subsidiaries, associates and joint ventures

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

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

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

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

Trade receivables

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

Impairment of financial assets

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

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

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

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Foreign exchange gains and losses:

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

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

(b) Financial liabilities and equity instruments

Classification of debt or equity

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

Equity instruments

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

Financial liabilities

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

Trade and other payables

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

Borrowings

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

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

Foreign exchange gains or losses

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

Derecognition of financial liabilities

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

3.14 Derivative financial instruments:

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

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

3.15 Taxes:

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

3.16 Operating segment:

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

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

3.17 Cash and cash equivalents:

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

3.18 Dividends;

Final dividends, if declared/ recmended on shares are recorded on the date of approval by the shareholders of the Company.

3.19 Assets Held for Sale;

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

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

3.20 Earnings per share (EPS):

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

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

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

The amendment came into force from April 1, 2018. The Company evaluated the requirements of the amendment and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize

revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

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

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

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

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

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

3.22 Recent accounting pronouncement

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

Ind AS 116- Leases:

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

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

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

The standard permits two possible methods of transition:

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

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

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

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

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

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

- Whether an entity considers uncertain tax treatments separately

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

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

The standard permits two possible methods of transition:

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

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

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

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

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

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

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

Amendments to Ind 23 Borrowing costs:

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

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.

Note 4 : Property, Plant and Equipment

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2017	**1,403.31**	**642.22**	**12,309.75**	**4,961.92**	**208.40**	**75.43**	**80.36**	**1,037.12**	**410.38**	**21,128.89**
Add: Additions made during the year	-	-	1,930.41	27.32	34.52	66.58	14.61	33.81	46.66	2,153.91
Less: Disposals / adjustments during the year	-	-	684.62	-	5.69	6.69	1.85	8.12	18.09	725.06
As at March 31, 2018	**1,403.31**	**642.22**	**13,555.54**	**4,989.24**	**237.23**	**135.32**	**93.12**	**1,062.81**	**438.95**	**22,557.74**
Add: Additions made during the year	-	-	5,249.83	4.56	10.82	25.42	4.44	3.84	398.03	5,696.94
Less: Disposals / adjustments during the year	-	-	711.05	-	0.52	0.19	0.01	0.72	66.70	779.19
As at March 31, 2019	**1,403.31**	**642.22**	**18,094.32**	**4,993.80**	**247.53**	**160.55**	**97.55**	**1,065.93**	**770.28**	**27,475.49**
Depreciation and impairment										
As at March 31, 2017	**-**	**8.67**	**2,943.24**	**495.72**	**59.09**	**25.11**	**23.83**	**195.44**	**77.67**	**3,828.77**
Add: Depreciation charge for the year	-	8.67	2,642.12	445.65	49.99	48.35	18.34	164.71	98.54	3,476.37
Less: On disposals / adjustments during the year	-	-	216.90	-	3.29	1.62	0.73	7.04	3.58	233.16
As at March 31, 2018	**-**	**17.34**	**5,368.46**	**941.37**	**105.79**	**71.84**	**41.44**	**353.11**	**172.63**	**7,071.98**
Add: Depreciation charge for the year	-	8.67	2,613.06	403.07	36.98	39.32	14.13	132.02	153.70	3,400.95
Less: On disposals / adjustments during the year	-	-	279.23	-	0.52	0.19	-	0.72	36.31	316.97
As at March 31, 2019	**-**	**26.01**	**7,702.29**	**1,344.44**	**142.25**	**110.97**	**55.57**	**484.41**	**290.02**	**10,155.96**

Research & Development

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2017	**-**	**-**	**1,922.41**	**599.63**	**31.51**	**23.58**	**2.80**	**139.67**	**8.92**	**2,728.52**
Add: Additions made during the year	-	-	131.45	-	2.85	6.50	6.76	-	9.08	156.64
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**2,053.86**	**599.63**	**34.36**	**30.08**	**9.56**	**139.67**	**18.00**	**2,885.16**
Add: Additions made during the year	-	-	294.42	-	0.73	14.17	0.00	-	10.66	319.98
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**2,348.28**	**599.63**	**35.09**	**44.25**	**9.56**	**139.67**	**28.66**	**3,205.14**

Depreciation and impairment										
As at March 31, 2017	**-**	**-**	**404.34**	**28.65**	**10.16**	**5.37**	**0.68**	**25.31**	**2.97**	**477.48**
Add: Depreciation charge for the year	-	-	348.71	27.28	7.79	12.33	1.94	20.73	2.55	421.33
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**753.05**	**55.93**	**17.95**	**17.70**	**2.62**	**46.04**	**5.52**	**898.81**
Add: Depreciation charge for the year	-	-	325.19	25.98	5.23	5.99	1.79	16.97	5.46	386.61
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**1,078.24**	**81.91**	**23.18**	**23.69**	**4.41**	**63.01**	**10.98**	**1,285.42**
Net carrying amount										
As at March 31, 2019	**1,403.31**	**616.21**	**11,662.07**	**4,167.08**	**117.19**	**70.14**	**47.14**	**658.18**	**497.95**	**19,239.26**
As at March 31, 2018	**1,403.31**	**624.88**	**9,487.89**	**4,591.57**	**147.85**	**75.86**	**58.62**	**803.33**	**278.80**	**17,472.11**

Notes:

1. Details of assets charged to Banks: :

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

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress	As At March 31, 2019	As At March 31, 2018
Plant & Machinery	26.84	36.28
	26.84	**36.28**

Note 6 : Intangible assets	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2017	**12.15**	**1,179.31**	**1,191.46**
Add: Additions made during the year	31.38	-	31.38
Less: Disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	**43.53**	**1,179.20**	**1,222.73**
Add: Additions made during the year	45.41	-	45.41
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**88.94**	**1,179.20**	**1,268.14**
Amortisation and impairment			
As at March 31, 2017	**7.22**	**441.98**	**449.20**
Add: Amortisation for the year	9.70	421.49	431.19
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	**16.92**	**863.36**	**880.28**
Add: Amortisation for the year	19.29	238.08	257.37
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**36.21**	**1,101.44**	**1,137.65**

Research & Development	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2017	**143.67**	**22.54**	**166.21**
Add: Additions made during the year	24.45	-	24.45
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2018	**168.12**	**22.54**	**190.66**
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**168.12**	**22.54**	**190.66**
Amortisation and impairment			
As at March 31, 2017	**22.63**	**21.48**	**44.11**
Add: Amortisation for the year	47.94	1.06	49.00
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	**70.57**	**22.54**	**93.11**
Add: Amortisation for the year	51.90	-	51.90
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**122.47**	**22.54**	**145.01**
Net carrying amount			
As at March 31, 2019	**98.38**	**77.76**	**176.14**
As at March 31, 2018	**124.16**	**315.84**	**440.00**

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

Information about Subsidiary, Associates & Joint Ventures

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

CURRENT

Investment measured at fair value through profit or loss

Investment In Mutual Fund & Tax Free Bond (Quoted)

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

Aggregate value of unquoted investments	127.25	126.25
Aggregate value of quoted investments	7,390.00	10,090.00
Market value of quoted investments	16,443.82	25,851.08
Aggregate value of impairment in the value of investment	-	-

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

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

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

b) Margin Money Deposit is pledged with Canara bank amounting to ₹ 5 Lakhs (March 31, 2018: ₹ 5.00 Lakhs).

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

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

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

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

Note: Details of Capital commitment is as follows:

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

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

Note:

1. The mode of valuation of inventories has been stated in note 3.9.
2. Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 12 : Trade receivables	**As At March 31, 2019**	**As At March 31, 2018**
Unsecured, Considered Good	13,211.46	12,240.73
Unsecured, Considered credit impaired	2.51	2.51
	13,213.97	12,243.24
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	2.51	2.51
	13,211.46	**12,240.73**

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

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

Note 13 : Cash and cash equivalents	**As At March 31, 2019**	**As At March 31, 2018**
Balances with banks:		
- on current account	6,042.32	900.28
- deposits with original maturity of less than 3 months	1,000.00	1,300.00
Cash in hand:	0.16	0.45
	7,042.48	**2,200.73**

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

Note 14 : Bank balances other than cash and cash equivalents	**As At March 31, 2019**	**As At March 31, 2018**
Balances with banks:		
- Unclaimed dividend account	39.70	41.96
Deposits with original maturity of more than 3 months but less than 12 months	4,031.09	1,928.21
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	3,000.00	3,200.00
	7,070.79	**5,170.17**

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

a) Reconciliation of share capital:

	As At March 31, 2019		**As At March 31, 2018**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance as at March 31, 2017	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2018	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2019	**5,946,326**	**594.63**	**5,946,326**	**594.63**

b) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. No dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) During the year, no interim dividend (March 31, 2018: ₹ 6.25 per share) has been recognized as distributions to equity shareholders.

*Note: Number of Shares are given in absolute numbers

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

	As At March 31, 2019		As At March 31, 2018	
Name of Party	**No. of shares**	**Holding %**	**No. of shares**	**Holding %**
Ajay Relan	1,927,219	32.41%	1,914,195	32.19%
Rohit Relan	428,818	7.21%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	520,826	8.76%
Aashim Relan	304,440	5.12%	304,440	5.12%

Note: Number of Shares are given in absolute numbers

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

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

b) Capital Reserve	
Balance as at March 31, 2017	**0.20**
Movement during the year	-
Balance as at March 31, 2018	**0.20**
Movement during the year	-
Balance as at March 31, 2019	**0.20**

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

Notes:

1. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
2. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
3. For the year ended March 31, 2018, a dividend of ₹ 12.50 per share (total dividend of ₹ 743.27 Lakhs) was paid to holders of fully paid equity shares.
4. For the year ended March 31, 2019, no interim dividend (March 31, 2018, ₹ 371.63 Lakhs) was paid to holders of fully paid equity shares. No final dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share).

d) Other comprehensive income-Remeasurement of defined benefit obligation

Balance as at March 31, 2017	**(4.37)**
Add:- Gain/(Loss) recognised during the year	4.24
Balance as at March 31, 2018	**(0.13)**
Add:- Gain/(Loss) recognised during the year	(11.96)
Balance as at March 31, 2019	**(12.09)**

Total Other Equity:	
As at March 31, 2018	**34,908.13**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	13,882.38
d) OCI-Remeasurement of defined benefit obligation	(0.13)
As at March 31, 2019	**43,233.95**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	22,220.16
d) OCI-Remeasurement of defined benefit obligation	(12.09)

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

a) Trade payables are non-interest bearing and are normally settled on 90-day terms. The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 39.

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

	As At March 31, 2019	**As At March 31, 2018**
- Principal amount due	344.34	-
- Interest accrued and due on above	0.90	-
	345.24	**-**
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil

		As At March 31, 2019	As At March 31, 2018
(iii)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.90	Nil
(iv)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

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

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

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

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2019.

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

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

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

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

Notes:

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

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

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

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

According to the requirement of Ind-AS, revenue for the corresponding previous year ended March 31, 2018 was reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise duty, Service Tax and various other Indirect Taxes. Accordingly, per IND AS-18, the revenue for the year ended March 31, 2019 is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company would have been as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations inclusive of Excise Duty (A)	113,987.27	120,425.88
Less: Excise Duty (B)	-	4,881.31
Net Revenue from Operations (A-B)	**113,987.27**	**115,544.57**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 158.11 Lakhs (March 31, 2018: ₹ 116.24 lakhs)

ii) Amount spent during the year

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

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

d) Company's R&D Center at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the year 2007-08 to 2018-19

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

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

Note:

Diminution in value of asset ₹ Nil during the year (March 31, 2018 ₹ 58.73 lakhs) has been recognized on reclassification of assets as held for sale as the fair value (estimated based on the recent market prices) is less than its carrying amount and had been disclosed the same under the head 'Exceptional item'.

Note 31: Income Tax

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

31.1 Income tax recognised in profit or loss

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

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

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

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

31.2 Income tax recognised in other comprehensive income

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

Note 32: Deferred tax balances

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

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

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

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

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

Note 33: Earnings per share (EPS)	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	8,786.04	7,861.02
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) **(B)**	**59.46**	**59.46**
Basic earnings per share (in ₹) - (A/B)	**147.76**	**132.20**
Diluted earnings per share (in ₹) - (A/B)	**147.76**	**132.20**

Note 34 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

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

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

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

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

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

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

Investment Risk

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

Interest Risk

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

Longevity Risk

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

Salary Risk

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

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

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

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

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

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

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

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

Note:

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

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

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

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

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

		As at March 31, 2019		As at March 31, 2018	
		Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions					
1	Discount rate	7.20%	7.20%	7.50%	7.50%
2	Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions					
1	Expected average remaining working lives of employees (years)	23.47	23.41	23.78	23.78
2	Retirement Age (years)	58	58	58	58
3	Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate					
1	Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%
2	Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3	Above 44 years	20.00%	20.00%	20.00%	20.00%

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

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	1,212.65	336.61	1,055.52	286.30
Fair value of plan assets	1,058.98	-	903.13	-
Net (assets) / liability	**153.67**	**336.61**	**152.39**	**286.30**
Classification into long term and short term:				
- Classified as long term	-	133.57	-	205.17
- Classified as short term	153.67	203.04	152.39	81.13
Total	**153.67**	**336.61**	**152.39**	**286.30**

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

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
A. Discount rate				
Effect on defined benefit obligation due to 1% increase in Discount Rate	(49.10)	(7.73)	(42.40)	(6.40)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	53.54	8.21	46.23	6.79
B. Salary escalation rate				
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	49.53	7.92	43.24	6.57
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(46.60)	(7.60)	(40.68)	(6.32)
C. Mortality rate *				
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-

* The effect of change in mortality rate considered as negligible.

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

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

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

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

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

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

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

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

(Rs. in Lakhs)

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

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

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

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

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

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

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

Note 36: Operating Lease Arrangements

The Company has entered into operating lease arrangements for various lands and building. These arrangements are non-cancellable in nature and range between five to twenty years and no specific obligation for renewal. There is no restriction imposed in lease arrangement. Lease rental amounting to ₹ 274.04 lakhs (March 31, 2018: ₹ 304.34 lakhs) has been expensed out in Statement of Profit and Loss in note 29 as 'Rent, Rates & Taxes' under 'Other expenses'. The future minimum lease commitments under non-cancellable operating leases are as under:

Particulars	As At March 31, 2019	As At March 31, 2018
Not Later Than 1 year	218.04	129.00
Later than 1 year but not later than 5 years	194.58	337.00
More than 5 years	248.44	237.86
Total	**661.06**	**703.86**

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

Note 38 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
2. Major Customer: Revenue from 3 customers of the Company's manufacturing & trading business are ₹ 84,935.68 lakhs (March 31, 2018 ₹ 92,878.58 lakhs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2019 and March 31, 2018.

Note 39 : Financial instruments - fair values and risk management

39.1 Financial instruments by category and fair values

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

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

* Investment value excludes investment in associates of ₹139 lakhs (March 31, 2018 : ₹ 139 lakhs), investment in joint ventures of ₹ 75.50 lakhs (March 31, 2018 : ₹ 75.50 lakhs), and investment in Subsidiary of ₹ 1 Lakh (March 31, 2018 : NIL), which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

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

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

	As At March 31, 2019	As At \ March 31, 2018
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in mutual fund	8,235.82	10,407.08
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	**8,235.82**	**10,407.08**

39.2 Measurement of fair value

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

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

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

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

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

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

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

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

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

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

Discount rate used in determining fair value

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

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

39.3 Capital management

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

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

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

39.4 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk

- Credit risk

- Liquidity risk

Risk management framework:

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

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

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

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

A. Market risk

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

Currency risk

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

Exposure to currency risk:

(Amount in Lakhs except otherwise specified)

March 31, 2019	USD	EURO	JPY
Foreign currency exposure not hedged (Sell)	11.24	-	-
Foreign currency exposure not hedged (Buy)	40.55	0.82	0.25
Derivative contract outstanding	-	-	-

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

Sensitivity analysis:

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

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

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

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

B. Credit risk

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

i) Trade receivables

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

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

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

- Original equipment manufacturers (OEMs)

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

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

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

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2018	-	12,224.06	16.67	12,240.73
Trade Receivables as of March 31, 2019	-	13,198.15	13.32	13,211.46

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

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

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

ii) Financial assets

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

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

C. Liquidity risk

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

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

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

As on March 31, 2019, Company doesn't have any outstanding borrowings.

Exposure to liquidity risk:

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

March 31, 2019	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	999.54	999.54	999.54	-	-
Trade payables	19,116.32	19,116.32	19,116.32	-	-
Unclaimed dividends	39.70	39.70	39.70	-	-
Security deposit	34.30	34.30	34.30	-	-
	20,189.86	20,189.86	20,189.86	-	-

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

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

Note 41: In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 42: Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

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

(Kishan N. Parikh)	**(Sharda Relan)**	**(Ajay Relan)**
Chairperson	Co-Chairperson	Managing Director
DIN 00453209	DIN 00252181	DIN 00257584
Place of Signature: New Delhi	**(Vivek Bhatia)**	**(Nitin Vishnoi)**
Date: May 27, 2019	President & CFO	Company Secretary
	M.No. 89846	M.No. F3632

INDEPENDENT AUDITOR'S REPORT

To the Members of Sharda Motor Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sharda Motor Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as the "Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters** In the consolidated financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under the Note No. 20.1.(a) to the financial statements for the year ended 31.03.2019. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the management of the Group.	Our audit procedure included the following: • We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the consolidated financial statements. • Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management. Assessed management's estimate of the possible outcome of the disputed cases. • In addition, we engaged our internal tax expert to assess the appropriateness of Group's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group, its associates and jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company, its subsidiary company, its associates and jointly controlled entities which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The consolidated financial statements includes the Group's share of net profit (and other comprehensive income) of Rs. 618.59 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

(b) We did not audit the financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets of Rs.1 lakhs as at 31st March, 2019, Nil revenues and net cash flows amounting to Rs.1 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs.160.33 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate and two jointly controlled entities, whose financial statements/financial information have not been audited by us. These financial statements/financial information 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 subsidiary, associate and jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, associate and jointly controlled entities, is based solely on such unaudited financial statements/financial information.

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

Report on Other Legal and Regulatory Requirements

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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of one associate company and on the basis of the representation received from the management in respect of one associate and two joint ventures, which are companies incorporated in India, none of the directors of the Group, its associates and jointly controlled entities is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities-Refer Note 20.1 to the consolidated financial statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associates and jointly controlled entities company incorporated in India.

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

(CA. Deepak Pokhriyal) Partner
Membership Number: 524778

Place of Signature: New Delhi
Date: May 27, 2019

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

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

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

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

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of Sharda Motor Industries Limited (hereinafter referred to as "the Company" or the "Holding Company") and its subsidiary company, its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 audit evidence obtained by the other auditor in terms of their reports and the representation received from the management for unaudited companies 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the management representation for un-audited companies referred to in the Other Matters paragraph below, the Holding Company, its subsidiary company, its associates and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, which is company incorporated in India is based solely on the corresponding report of the other auditor and one subsidiary company, one associate and two joint ventures, which are companies incorporated in India, is based solely on the representation received from the management for such companies. Our opinion is not modified in respect of this matter.

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

(CA. Deepak Pokhriyal) Partner
Membership Number: 524778

Place of Signature: New Delhi
Date: May 27, 2019

Consolidated Balance Sheet as at March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2019	As At March 31, 2018
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	19,239.26	17,472.11
(b) Capital work in progress	5	26.84	36.28
(c) Intangible assets	6	176.14	440.00
(d) Financial assets			
(i) Investments	7	3,851.04	3,165.87
(ii) Other financial assets	8	307.04	284.70
(e) Non-current tax asset (net)	9	74.57	50.06
(f) Other non-current assets	10	1,833.96	872.18
Total non-current assets		**25,508.85**	**22,321.20**
Current assets			
(a) Inventories	11	10,310.04	8,562.04
(b) Financial assets			
(i) Investments	7	8,235.82	10,407.08
(ii) Trade receivables	12	13,211.46	12,240.73
(iii) Cash and cash equivalents	13	7,043.48	2,200.73
(iv) Bank balances other than (iii) above	14	7,070.79	5,170.17
(v) Other financial assets	8	188.16	160.27
(c) Other current assets	10	510.83	548.11
(d) Asset held for sale	30	19.57	19.58
Total current assets		**46,590.15**	**39,308.71**
Total assets		**72,099.00**	**61,629.91**
II. Equity and liabilities			
Equity			
(a) Equity share capital	15	594.63	594.63
(b) Other equity	16	46,867.97	37,857.76
Total equity		**47,462.60**	**38,452.39**
Liabilities			
Non- current liabilities			
(a) Provisions	20	524.03	423.43
(b) Deferred tax liabilities (net)	32	595.20	781.02
Total non- current liabilities		**1,119.23**	**1,204.45**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
- Total outstanding dues of micro and small enterprises		345.24	-
- Total outstanding dues of creditors other than micro and small enterprises		18,771.53	18,291.78
(ii) Other financial liabilities	18	1,075.19	516.29
(b) Other current liabilities	19	2,859.94	2,762.82
(c) Provisions	20	465.27	402.18
Total current liabilities		**23,517.17**	**21,973.07**
Total liabilities		**24,636.40**	**23,177.52**
Total equity and liabilities		**72,099.00**	**61,629.91**
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

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

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Place of Signature: New Delhi
Date : May 27, 2019

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

(Currency : ₹ in Lakhs except otherwise specified)

Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	21	113,987.27	120,425.88
II	Other income	22	2,103.96	1,699.30
III	**Total income (I+II)**		**116,091.23**	**122,125.18**
IV	Expenses			
	(a) Cost of materials consumed	23	70,971.10	73,125.90
	(b) Purchases of stock-in-trade	24	6,989.97	6,060.51
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	25	(325.78)	(231.00)
	(d) Excise duty on sale of goods		-	4,881.31
	(e) Employee benefits expense	26	8,578.33	8,203.22
	(f) Finance costs	27	4.59	213.00
	(g) Depreciation and amortization expense	28	4,096.83	4,377.89
	(h) Other expenses	29	13,241.42	13,841.90
	Total expenses		**103,556.46**	**110,472.73**
V	**Profit before exceptional items and tax (III-IV)**		**12,534.77**	**11,652.45**
VI	**Exceptional items**	30	-	58.73
VII	**Profit before tax (V-VI)**		**12,534.77**	**11,593.72**
VIII	**Tax expense:**			
	(a) Current tax	31.1	4,022.65	4,088.59
	(b) Deferred tax	31.1	(179.39)	(274.89)
	Total tax expense		**3,843.26**	**3,813.70**
IX	**Profit for the year (VII-VIII)**		**8,691.51**	**7,780.02**
X	Share of profit/(loss) of associates (net of tax)		674.24	879.32
XI	Share of profit/(loss) of joint ventures (net of tax)		99.78	137.78
XII	**Profit for the year (IX+X+XI)**		**9,465.53**	**8,797.12**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gains/ (losses) on defined benefit plans		(11.01)	(1.12)
	- Income tax on items that will not be reclassified to profit or loss		3.96	0.90
	Total other comprehensive income for the year, net of tax		**(7.05)**	**(0.22)**
XI	**Total comprehensive income for the year, net of tax (IX+X)**		**9,458.48**	**8,796.90**
XII	**Earnings per share: (Face value ₹ 10 per share)**	33		
	1) Basic (amount in ₹)		159.18	147.94
	2) Diluted (amount in ₹)		159.18	147.94
Summary of Significant Accounting Policies		3		

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place of Signature: New Delhi
Date : May 27, 2019

(Kishan N. Parikh)
Chairperson
DIN 00453209

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

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

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Consolidated Statement of changes in equity for the year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital	Amount
Balance as at March 31, 2017	**594.63**
Changes during the year	-
Balance as at March 31, 2018	**594.63**
Changes during the year	-
Balance as at March 31, 2019	**594.63**

B. Other Equity

	Reserve & Surplus				
	Capital Reserve	General Reserve	Retained earnings	Other comprehensive income- Remeasurement of defined benefit obligation	Total
Balance as at March 31, 2017	**0.20**	**21,025.68**	**8,936.08**	**(6.49)**	**29,955.47**
Profit for the year	-	-	8,797.11	-	8,797.11
Other comprehensive income for the year, net of tax	-	-	-	(0.22)	(0.22)
Total Comprehensive Income	**-**	**-**	**8,797.11**	**(0.22)**	**8,796.89**
Payment of Dividend	-	-	(743.27)	-	(743.27)
Dividend Distribution Tax	-	-	(151.33)	-	(151.33)
Balance as at March 31, 2018	**0.20**	**21,025.68**	**16,838.59**	**(6.71)**	**37,857.76**
Profit for the year	-	-	9,465.53	-	9,465.53
Other comprehensive income for the year, net of tax	-	-	-	(7.05)	(7.05)
Total Comprehensive Income	**-**	**-**	**9,465.53**	**(7.05)**	**9,458.48**
Payment of Dividend	-	-	(371.65)	-	(371.65)
Dividend Distribution Tax	-	-	(76.61)	-	(76.61)
Balance as at March 31, 2019	**0.20**	**21,025.68**	**25,855.86**	**(13.76)**	**46,867.98**
Summary of Significant Accounting Policies	3				

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

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

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Place of Signature: New Delhi
Date : May 27, 2019

Consolidated Cash Flow Statement for the year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	12,534.77	11,593.72
	Adjustments for:		
	Depreciation and amortization	4,096.83	4,377.89
	Finance cost	4.59	213.00
	Interest income	(459.03)	(365.13)
	Interest income under effective interest rate method on security deposits at amortised cost	(0.83)	(0.66)
	Dividend Income - Non-current investment	-	-
	Dividend Income - Current investment	(61.22)	(177.24)
	Loss/(Gain) on sale of financial asset measured at fair value through profit and loss (FVTPL)	(352.66)	(346.06)
	Diminution in value of asset held for sale	-	58.73
	Property, plant and equipment written off	-	16.90
	Provision for doubtful debts	-	2.51
	Loss / (Gain) on sale of property, plant and equipment (net)	(263.40)	(352.18)
	Fair value gain on investment in mutual fund designated at FVTPL	(366.24)	(193.69)
	Unrealized loss/(gain) on reinstatement of foreign exchange (net)	47.88	(16.74)
	Fair value losses on derivatives not designated as hedged	-	111.36
	Operating profit / (loss) before adjustments	**15,180.69**	**14,922.39**
	Adjustments for:		
	Decrease/(increase) in inventories	(1,748.00)	(1,378.35)
	Decrease/(increase) in trade receivables	(983.64)	(1,513.76)
	Decrease/(increase) in other financial assets	(15.73)	989.61
	Decrease/(increase) in other assets	37.27	77.86
	Increase in trade payables	790.01	1,883.20
	Increase in other liabilities	97.12	776.97
	Increase in other financial liabilities	(1.10)	(115.59)
	Increase/(decrease) in provisions	145.32	(26.71)
	Cash generated from operating activities	**13,501.95**	**15,615.62**
	Taxes (paid) / refund	(4,047.16)	(4,037.92)
	Net cash from operating activities - (A)	**9,454.80**	**11,577.70**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment including capital work-in-progress	(6,404.08)	(2,520.70)
	Acquisition of intangible assets including intangible assets under development	(45.40)	(55.82)
	Proceeds from sale of property, plant and equipment	721.39	761.27
	Payments for purchase of investments	(19,913.33)	(15,922.93)
	Proceeds from sale of investments	22,897.24	13,931.96
	Bank deposits (made)/proceeds	(1,900.62)	233.66
	Dividend Income - Non-current investment	-	-
	Dividend Income - Current investment	61.22	177.24
	Interest received	426.66	388.61
	Net cash used in investing activities - (B)	**(4,156.91)**	**(3,006.71)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of borrowings	-	(5,794.70)
	Finance cost paid	(4.59)	(259.63)
	Dividend paid (including corporate dividend tax)	(450.52)	(898.29)
	Net cash from financing activities - (C)	**(455.11)**	**(6,952.62)**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**4,842.76**	**1,618.37**
	Cash and cash equivalents at the beginning of the year	2,200.73	582.36
	Cash and cash equivalents at the end of the year [refer note 13]	**7,043.49**	**2,200.73**

Note

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

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

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

As per our Report of even date attached

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

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

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

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

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Place of Signature: New Delhi
Date : May 27, 2019

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

Note 1: Group Information

Sharda Motor Industries Limited ("the Company" or "Holding Company"), its associates, subsidiaries and its joint venture (Jointly referred to as the "Group' herein under) considered in these consolidated financial statements. The Company is primarily engaged in the manufacturing and assembly of Auto Components and White Goods Components. The Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got a 'State of Art' manufacturing facilities across thirteen locations in seven states of India. The Company's production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems, Sheet Metal Components and Plastic parts for the Automotive and White Goods Industries. (For details refer Note-45)

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

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

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

2.2 Basis of preparation and presentation:

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

The principal accounting policies are set out below.

2.3 Basis of consolidation and equity accounting:

(i) Subsidiary

Subsidiary is the entity controlled by the holding company. The holding company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The group combine the financials statements of the holding and its subsidiary line by line adding together line items of assets, liabilities, equity, income and expenses.

(ii) Associates

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

(iii) Joint Ventures

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

(iv) Equity method

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

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

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

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

(v) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner

as the Company's individual financial statements. Inconsistency, if any, between the accounting policies of the associates and joint ventures have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2019 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.5 Use of estimates and judgments:

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

Judgments

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019:

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

2.6 Measurement of fair values:

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

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

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

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

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

2.7 Operating cycle:

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

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

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

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

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities.Sale includes revision in prices received from customers with retrospective effect.

Revenue arises mainly from the sale of manufactured and traded goods

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

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

Rendering of Services

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

Dividend and Interest Income

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

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

3.2 Recognition of interest expense:

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

3.3 Property, Plant and Equipment (PPE):

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

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

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

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

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

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

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

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule

except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management.

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

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

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

3.4 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

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

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

3.5 Research & Development Costs:

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

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

3.6 Impairment of tangible and intangible assets:

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.7 Borrowing costs:

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

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

3.8 Foreign currencies:

Functional and presentational currency

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

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated

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

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.9. Inventories:

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

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

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

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

3.10 Leases:

Determining whether arrangement contains a lease.

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

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

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

Assets held under lease

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

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

Lease payments

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

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

3.11 Employee Benefits:

Short Term Employee Benefits

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

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

Post-Employment Benefits

Defined contribution plan

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

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

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

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

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

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

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

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

Other Long Term Employee Benefits

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

3.12 Provisions, Contingent liabilities and contingent assets:

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

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

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

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

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

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

Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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

3.13 Financial instruments:

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

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

(a) Financial Assets

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

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

Classification of financial assets

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

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

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

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

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

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Equity investment in subsidiaries, associates and joint ventures

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

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

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

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

Trade receivables

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

Impairment of financial assets

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

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

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

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Foreign exchange gains and losses:

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

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

(b) Financial liabilities and equity instruments

Classification of debt or equity

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

Equity instruments

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

Financial liabilities

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

Trade and other payables

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

Borrowings

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

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

Foreign exchange gains or losses

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

Derecognition of financial liabilities

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

3.14 Derivative financial instruments:

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

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

3.15 Taxes:

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

3.16 Operating segment:

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

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

3.17 Cash and cash equivalents:

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

3.18 Dividends;

Final dividends, if declared/recmended on shares are recorded on the date of approval by the shareholders of the Company.

3.19 Assets Held for Sale;

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

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

3.20 Earnings per share (EPS):

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

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

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

The amendment came into force from April 1, 2018. The Company evaluated the requirements of the amendment and its effect on the financial statements.

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

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018."

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

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

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

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

3.22 Recent accounting pronouncement

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

Ind AS 116- Leases:

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

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

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

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

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

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

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

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

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

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

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

The standard permits two possible methods of transition:

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

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

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

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

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

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

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

Amendments to Ind 23 Borrowing costs:

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

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.

Note 4 : Property, Plant and Equipment

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2017	**1,403.31**	**642.22**	**12,309.75**	**4,961.92**	**208.40**	**75.43**	**80.36**	**1,037.12**	**410.38**	**21,128.89**
Add: Additions made during the year	-	-	1,930.41	27.32	34.52	66.58	14.61	33.81	46.66	2,153.91
Less: Disposals / adjustments during the year	-	-	684.62	-	5.69	6.69	1.85	8.12	18.09	725.06
As at March 31, 2018	**1,403.31**	**642.22**	**13,555.54**	**4,989.24**	**237.23**	**135.32**	**93.12**	**1,062.81**	**438.95**	**22,557.74**
Add: Additions made during the year	-	-	5,249.83	4.56	10.82	25.42	4.44	3.84	398.03	5,696.94
Less: Disposals / adjustments during the year	-	-	711.05	-	0.52	0.19	0.01	0.72	66.70	779.19
As at March 31, 2019	**1,403.31**	**642.22**	**18,094.32**	**4,993.80**	**247.52**	**160.55**	**97.55**	**1,065.93**	**770.28**	**27,475.49**
Depreciation and impairment										
As at March 31, 2017	**-**	**8.67**	**2,943.24**	**495.72**	**59.09**	**25.11**	**23.83**	**195.44**	**77.67**	**3,828.77**
Add: Depreciation charge for the year	-	8.67	2,642.12	445.65	49.99	48.35	18.34	164.71	98.54	3,476.37
Less: On disposals / adjustments during the year	-	-	216.90	-	3.29	1.62	0.73	7.04	3.58	233.16
As at March 31, 2018	**-**	**17.34**	**5,368.46**	**941.37**	**105.79**	**71.84**	**41.44**	**353.11**	**172.63**	**7,071.98**
Add: Depreciation charge for the year	-	8.67	2,613.06	403.07	36.98	39.32	14.13	132.02	153.70	3,400.95
Less: On disposals / adjustments during the year	-	-	279.23	-	0.52	0.19	-	0.72	36.31	316.97
As at March 31, 2019	**-**	**26.01**	**7,702.29**	**1,344.44**	**142.25**	**110.97**	**55.57**	**484.41**	**290.02**	**10,155.96**

Research & Development

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2017	**-**	**-**	**1,922.41**	**599.63**	**31.51**	**23.58**	**2.80**	**139.67**	**8.92**	**2,728.52**
Add: Additions made during the year	-	-	131.45	-	2.85	6.50	6.76	-	9.08	156.64
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**2,053.86**	**599.63**	**34.36**	**30.08**	**9.56**	**139.67**	**18.00**	**2,885.16**
Add: Additions made during the year	-	-	294.42	-	0.73	14.17	0.00	-	10.66	319.98
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**2,348.28**	**599.63**	**35.09**	**44.25**	**9.56**	**139.67**	**28.66**	**3,205.14**

Depreciation and impairment										
As at March 31, 2017	**-**	**-**	**404.34**	**28.65**	**10.16**	**5.37**	**0.68**	**25.31**	**2.97**	**477.48**
Add: Depreciation charge for the year	-	-	348.71	27.28	7.79	12.33	1.94	20.73	2.55	421.33
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**753.05**	**55.93**	**17.95**	**17.70**	**2.62**	**46.04**	**5.52**	**898.81**
Add: Depreciation charge for the year	-	-	325.19	25.98	5.23	5.99	1.79	16.97	5.46	386.61
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**1,078.24**	**81.91**	**23.18**	**23.69**	**4.41**	**63.01**	**10.98**	**1,285.42**
Net carrying amount										
As at March 31, 2019	**1,403.31**	**616.21**	**11,662.07**	**4,167.08**	**117.18**	**70.14**	**47.14**	**658.18**	**497.95**	**19,239.26**
As at March 31, 2018	**1,403.31**	**624.88**	**9,487.89**	**4,591.57**	**147.85**	**75.86**	**58.62**	**803.33**	**278.80**	**17,472.11**

Notes:

Details of assets charged to Banks :

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

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress	As At March 31, 2019	As At March 31, 2018
Plant & Machinery	26.84	36.28
	26.84	**36.28**

Note 6 : Intangible assets	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2017	**12.15**	**1,179.31**	**1,191.46**
Add: Additions made during the year	31.38	-	31.38
Less: Disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	**43.53**	**1,179.20**	**1,222.73**
Add: Additions made during the year	45.41	-	45.41
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**88.94**	**1,179.20**	**1,268.14**
Amortisation and impairment			
As at March 31, 2017	**7.22**	**441.98**	**449.19**
Add: Amortisation for the year	9.70	421.49	431.19
Less: On disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	**16.92**	**863.36**	**880.28**
Add: Amortisation for the year	19.29	238.08	257.37
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**36.21**	**1,101.44**	**1,137.65**

Research & Development	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2017	**143.67**	**22.54**	**166.20**
Add: Additions made during the year	24.45	-	24.45
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2018	**168.12**	**22.54**	**190.66**
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**168.12**	**22.54**	**190.66**
Amortisation and impairment			
As at March 31, 2017	**22.63**	**21.48**	**44.11**
Add: Amortisation for the year	47.94	1.06	48.99
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	**70.57**	**22.54**	**93.11**
Add: Amortisation for the year	51.90	-	51.90
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**122.47**	**22.54**	**145.01**
Net carrying amount			
As at March 31, 2019	**98.38**	**77.76**	**176.14**
As at March 31, 2018	**124.16**	**315.84**	**440.00**

(Currency : ₹ in Lakhs except otherwise specified)

Note 7 : Investments	As At March 31, 2019	As At March 31, 2018
NON-CURRENT		
Investments measured at cost		
In equity shares of Associates		
Quoted, fully paid up		
9,000,000 (March 31, 2018: 9,000,000) Equity Shares of ₹ 2/- each of Bharat Seats Ltd. { including 4,500,000 Bonus Shares (March 31, 2018: 4,500,000) }	3,132.22	2,603.63
	3,132.22	**2,603.63**
In equity shares of Associates		
Unquoted, fully paid up		
490,000 (March 31, 2018: 490,000) Equity shares of ₹ 10 each of Relan Industrial Finance Ltd.	320.14	259.81
	320.14	**259.81**
In equity shares of Joint Ventures		
Unquoted, fully paid up		
5,000 (March 31, 2018: 5,000) Equity shares of ₹ 10 each of Toyota Boshoku Relan India Pvt. Ltd.	0.36	0.60
750,000 (March 31, 2018: 750,000) Equity shares of ₹ 10 each of Toyo Sharda India Pvt. Ltd.	396.57	300.08
	396.93	**300.68**
In equity shares of Other		
Unquoted, fully paid up		
17,500 (March 31, 2018: 17,500) Equity shares of ₹ 10 each of Windage Power Company Private Limited	1.75	1.75
	1.75	**1.75**

Information about Associates & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As At March 31, 2019	As At March 31, 2018
Associates		
Bharat Seats Ltd, India, Manufacturing of Seating System	28.66	28.66
Relan Industrial Finance Ltd., India, Service provider of investments	47.12	47.12
Joint Ventures		
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00
Total (A)	**3,851.04**	**3,165.87**

CURRENT

Investment measured at fair value through profit or loss

Investment In Mutual Fund (Quoted)

- Nil (March 31,2018: 9,447,048.91) units of Reliance Arbitrage Advantage Fund (MD)	-	999.36
- Nil (March 31,2018: 7,519,834.30) units of SBI Arbitrage Opportunities Fund (D)	-	1,002.36
- Nil (March 31,2018: 7,986,431.54) units of ICICI Prudential Equity-Arbitrage Fund - Retail Plan (D)	-	1,089.27
- Nil (March 31,2018: 3,672,422.63) units of HDFC Arbitrage Fund - Wholesale Plan (MD)	-	399.67
- Nil (March 31,2018: 3,536,060.64) units of ICICI Prudential Equity Income Fund - Regular Plan (MD)	-	393.21
- Nil (March 31,2018: 13,178,805.39) units of Kotak Equity Savings Fund - Regular Plan (MD)	-	1,469.09
- Nil (March 31,2018: 3,451,191.52) units of Reliance equity Savings fund-Monthly Dividend	-	382.94
- 6,999,407.76 (March 31,2018: 6,999,407.76) units of Reliance Short Term Fund (Growth)	2,430.21	2,284.30
- 3,776,031.01 (March 31,2018: 3,776,031.01) units of ICICI Prudential Short Term plan Regular (Growth)	1,458.33	1,366.74
- 408,105.3 (March 31,2018: 408,105.3) units of Aditya Birla Sunlife Short Term Fund (Growth)	292.39	271.03
- 223,015.17 (March 31,2018: 223,015.17) units of ICICI Prudential equity & debt fund (Growth)	299.82	278.52
- 582,328.09 (March 31,2018: 582,328.09) unit of Reliance prime debt fund - (Growth)	227.80	212.09
- 3980758.54 (March 31,2018: 2084463.32) units SBI Equity Savings Fund - Regular Plan-Growth	202.17	258.50
- 54,519.21 (March 31,2018: Nil) units ICICI Prodential Money Market Fund - Growth	462.89	-
- 41199.265 (March 31,2018: Nil) units SBI Premier Liquid Fund	1,200.00	-
- 50 (March 31,2018: Nil) units NHAI 2030 - Tax free Bond	572.22	-
- 50000 (March 31,2018: Nil) units REC 2022 - Tax free Bond	550.00	-
- 50000 (March 31,2018: Nil) units IRFC 2022 - Tax free Bond	539.99	-
Total (B)	**8,235.82**	**10,407.08**
Total (A+B)	**12,086.86**	**13,572.95**
Aggregate value of unquoted investments	718.82	562.24
Aggregate value of quoted investments	10,432.22	12,603.63
Market value of quoted investments	16,443.82	25,851.08
Aggregate value of impairment in the value of investment	-	-

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

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

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.
b) Margin Money Deposit is pledged with Canara bank amounting to ₹ 5 Lakhs (March 31, 2018: ₹ 5.00 Lakhs).
c) For detailed related party disclosures, refer note no. 35.

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

Note 10 : Other assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2019	As At March 31, 2018
Non- Current		
Capital Advances (refer note below)	1,833.96	870.88
Deferred Payment Asset	-	1.30
Total (A)	**1,833.96**	**872.18**
Current		
Balance with Statutory Authorities	51.41	67.03
Advances to Suppliers	280.13	305.86
Deferred Payment Asset	-	0.72
Prepaid Expenses	169.49	130.99
Other Receivable (refer to note below)	9.80	43.51
Total (B)	**510.83**	**548.11**
Total (A+B)	**2,344.79**	**1,420.29**

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

Note: Details of Capital commitment is as follows:

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

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

Note:

1. The mode of valuation of inventories has been stated in note 3.9.
2. Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 12 : Trade receivables	**As At March 31, 2019**	**As At March 31, 2018**
Unsecured, Considered Good	13,211.46	12,240.73
Unsecured, Considered credit impaired	2.51	2.51
	13,213.97	12,243.24
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	2.51	2.51
	13,211.46	**12,240.73**

a) Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.
b) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 13 : Cash and cash equivalents	**As At March 31, 2019**	**As At March 31, 2018**
Balances with banks:		
- on current account	6,043.32	900.28
- deposits with original maturity of less than 3 months	1,000.00	1,300.00
Cash in hand:	0.16	0.45
	7,043.48	**2,200.73**

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

Note 14 : Bank balances other than cash and cash equivalents	**As At March 31, 2019**	**As At March 31, 2018**
Balances with banks:		
- Unclaimed dividend account	39.70	41.96
Deposits with original maturity of more than 3 months but less than 12 months	4,031.09	1,928.21
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	3,000.00	3,200.00
	7,070.79	**5,170.17**

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

a) Reconciliation of share capital:

	As At March 31, 2019		**As At March 31, 2018**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance as at March 31, 2017	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2018	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2019	**5,946,326**	**594.63**	**5,946,326**	**594.63**

b) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. No dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) During the year, no interim dividend (March 31, 2018: ₹ 6.25 per share) has been recognized as distributions to equity shareholders.

*Note: Number of Shares are given in absolute numbers

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

	As At March 31, 2019		As At March 31, 2018	
Name of Party	**No. of shares**	**Holding %**	**No. of shares**	**Holding %**
Ajay Relan	1,927,219	32.41%	1,914,195	32.19%
Rohit Relan	428,818	7.21%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	520,826	8.76%
Aashim Relan	304,440	5.12%	304,440	5.12%

Note: Number of Shares are given in absolute numbers

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

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

b) Capital Reserve	
Balance as at March 31, 2017	**0.20**
Movement during the year	-
Balance as at March 31, 2018	**0.20**
Movement during the year	-
Balance as at March 31, 2019	**0.20**
c) Retained Earnings	
Balance as at March 31, 2017	**8,936.08**
Add:- Profit for the year	8,797.11
Less: Dividend Paid	743.27
Less: Dividend Distribution Tax Paid	151.33
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	**16,838.59**
Add:- Profit for the year	9,465.53
Less: Dividend Paid	371.65
Less: Dividend Distribution Tax Paid	76.61
Less: Transfer to General Reserve	-
Balance as at March 31, 2019	**25,855.85**

Notes:

1. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
2. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
3. For the year ended March 31, 2018, a dividend of ₹ 12.50 per share (total dividend of ₹ 743.27 Lakhs) was paid to holders of fully paid equity shares.
4. For the year ended March 31, 2019, no interim dividend (March 31, 2018, ₹ 371.63 Lakhs) was paid to holders of fully paid equity shares. No final dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share).

d) Other comprehensive income-Remeasurement of defined benefit obligation

Balance as at March 31, 2017	**(4.37)**
Add:- Gain/(Loss) recognised during the year	4.24
Balance as at March 31, 2018	**(6.71)**
Add:- Gain/(Loss) recognised during the year	(7.05)
Balance as at March 31, 2019	**(13.76)**

Total Other Equity:	
As at March 31, 2018	**37,857.76**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	16,838.59
d) OCI-Remeasurement of defined benefit obligation	(6.71)
As at March 31, 2019	**46,867.97**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	25,855.85
d) OCI-Remeasurement of defined benefit obligation	(13.76)

Note 17 : Trade payables	**As At March 31, 2019**	**As At March 31, 2018**
- Outstanding dues of micro and small enterprises	345.24	-
- Outstanding dues of creditors other than micro and small enterprises	18,771.53	18,291.78
	19,116.77	**18,291.78**

a) Trade payables are non-interest bearing and are normally settled on 90-day terms. The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 39.

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

	As At March 31, 2019	**As At March 31, 2018**
- Principal amount due (refer note 17 & 18)	344.34	-
- Interest accrued and due on above	0.90	-
	345.24	**-**
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.90	Nil
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

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

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

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

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2019.

Note 19 : Other Liabilities	**As At March 31, 2019**	**As At March 31, 2018**
Current		
Advance from customers	1,298.60	796.01
Statutory dues	1,518.93	1,906.91
Others *	42.41	59.90
Total	**2,859.94**	**2,762.82**

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

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

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

Notes:

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

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

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

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

According to the requirement of Ind-AS, revenue for the corresponding previous year ended March 31, 2018 was reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise duty, Service Tax and various other Indirect Taxes. Accordingly, per IND AS-18, the revenue for the year ended March 31, 2019 is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company would have been as follows:

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Revenue from Operations inclusive of Excise Duty (A)	113,987.27	120,425.88
Less: Excise Duty (B)	-	4,881.31
Net Revenue from Operations (A-B)	**113,987.27**	**115,544.57**

Note 22 : Other income	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Interest Income		
- Fixed deposits with banks	469.08	381.51
- Income tax refund	-	7.43
- Finance income	0.83	0.66
- Others *	10.05	8.95
Dividend income from		
- Non-current investment	-	-
- Current investment	61.22	177.24
Profit on sale of current investments designated at FVTPL	352.66	346.06
Net gain on disposal of property, plant and equipments	263.40	352.18
Net gain on foreign exchange fluctuation	-	146.37
Fair value gain on investment in mutual funds designated at FVTPL	366.24	193.69
Miscellaneous income	580.48	85.21
	2,103.96	**1,699.30**

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

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

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

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

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

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

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

Note 29 : Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumable tools	206.62	259.14
Power & fuel	1,148.23	1,270.85
Hire labour charges	4,825.57	5,800.68
Manufacturing expenses	200.44	113.87
Rent, rates & taxes	349.96	305.06
Repair & maintenance		
- Repair to building	88.78	162.80
- Repair to plant & equipments	360.97	323.22
- Repair others	207.51	273.28
Net loss on foreign exchange fluctuation	12.84	-
Fair value losses on derivatives not designated as hedged	-	111.36
Royalty fees	1.62	1.70
Research & development expenses (refer details 'c' below)	2,328.55	1,441.08
Travelling & conveyance	803.52	917.85
Insurance	66.02	75.55
Communication cost	64.06	62.00
Director's sitting fee & commission	18.20	13.02
Legal & professional expenses	620.95	783.24
CSR expenses (refer details 'b' below)	13.90	10.30
Warranty claim	178.03	52.27
Property, plant and equipment written off	-	16.90
Selling expenses	7.33	7.03
Packing material	224.32	259.29
Freight outward	620.27	648.70
Auditor's remuneration (refer details 'a' below)	17.26	13.66
Miscellaneous expenses	876.20	919.05
Pre-incorporation expenses	0.27	-
Total	**13,241.42**	**13,841.90**

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

Payment to auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
- Statutory audit fee	9.00	8.50
- Tax audit fee *	5.00	5.00
In Other Capacity:		
- Reimbursement of expenses	0.26	0.16
- Other services	3.00	-
	17.26	**13.66**

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

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

i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 158.11 Lakhs (March 31, 2018: ₹ 116.24 lakhs)

ii) Amount spent during the year

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

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

d) Company's R&D Center at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the year 2007-08 to 2018-19

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

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

Note:

Diminution in value of asset ₹ Nil during the year (March 31, 2018 ₹ 58.73 lakhs) has been recognized on reclassification of assets as held for sale as the fair value (estimated based on the recent market prices) is less than its carrying amount and had been disclosed the same under the head 'Exceptional item'.

Note 31: Income Tax

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

31.1 Income tax recognised in profit or loss

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

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

	As At March 31, 2019	As At March 31, 2018
Profit before tax	**12,534.77**	**11,593.72**
Tax at the Indian tax rate of 34.944% (March 31, 2018: 34.608%)	4,341.40	4,012.35
Adjustments in respect of current income tax of previous years	(41.29)	38.66
Effect of expenses that are not deductible in determining taxable profit	10.74	17.57
Weighted deduction for research and development expenses	(520.47)	(294.16)
Income not considered for tax purpose	(23.42)	(61.34)
Exceptional item not considered for tax purpose	-	20.32
Others	76.30	80.30
Tax expenses recognised in statement of profit or loss	**3,843.26**	**3,813.70**

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

31.2 Income tax recognised in other comprehensive income

	As At March 31, 2019	As At March 31, 2018
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	3.96	0.90
Total tax recognised in other comprehensive income	**3.96**	**0.90**
Bifurcation of the income tax recognised in other comprehensive income into : -		
- Items that will not be reclassified to profit or loss	3.96	0.90
	3.96	**0.90**

Note 32: Deferred tax balances

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

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

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

	As At April 1, 2018	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2019
Deferred tax assets				
Defined benefit obligation	99.08	65.82	3.96	168.86
Expenses deductible in future years	-	138.75	-	138.75
Others	0.93	-	-	0.93
Total deferred tax assets	**100.01**	**204.57**	**3.96**	**308.54**
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	140.88	148.77	-	289.65
Property, plant and equipment and intangible assets	740.15	(126.06)	-	614.09
	881.03	**22.71**	**-**	**903.74**
Net deferred tax liabilities	**781.02**	**(181.86)**	**(3.96)**	**595.20**

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

Note 33: Earnings per share (EPS)	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	9,465.53	8,797.12
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) **(B)**	**59.46**	**59.46**
Basic earnings per share (in ₹) - (A/B)	159.18	147.94
Diluted earnings per share (in ₹) - (A/B)	159.18	147.94

Note 34 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

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

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

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

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

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

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

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

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

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

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

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the year	1,055.52	286.30	880.43	252.59
Acquisition adjustment				
Add: Interest cost	79.16	21.47	61.63	17.68
Add: Current service cost	126.23	68.70	113.73	51.50
Add: Past service cost	-	-	26.51	-
Less: Benefits paid	(69.00)	(37.82)	(30.65)	(25.78)

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Add: Actuarial (gain) / loss				
- Demographic assumptions	-	-	-	-
- Financial assumptions	15.17	2.37	(22.61)	(3.35)
- Experience adjustments	5.57	(4.42)	26.48	(6.34)
Present value of obligation as at the end of the year	**1,212.65**	**336.61**	**1,055.52**	**286.30**

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

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

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

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

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

Note:

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

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

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

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

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

		As at March 31, 2019		As at March 31, 2018	
		Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions					
1	Discount rate	7.20%	7.20%	7.50%	7.50%
2	Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions					
1	Expected average remaining working lives of employees (years)	23.47	23.41	23.78	23.78
2	Retirement Age (years)	58	58	58	58
3	Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate					
1	Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%
2	Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3	Above 44 years	20.00%	20.00%	20.00%	20.00%

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

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

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	1,212.65	336.61	1,055.52	286.30
Fair value of plan assets	1,058.98	-	903.13	-
Net (assets) / liability	**153.67**	**336.61**	**152.39**	**286.30**
Classification into long term and short term:				
- Classified as long term	-	133.57	-	205.17
- Classified as short term	153.67	203.04	152.39	81.13
Total	**153.67**	**336.61**	**152.39**	**286.30**

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

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

		As at March 31, 2019		As at March 31, 2018	
		Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
A.	**Discount rate**				
	Effect on defined benefit obligation due to 1% increase in Discount Rate	(49.10)	(7.73)	(42.40)	(6.40)
	Effect on defined benefit obligation due to 1% decrease in Discount Rate	53.54	8.21	46.23	6.79
B.	**Salary escalation rate**				
	Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	49.53	7.92	43.24	6.57
	Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(46.60)	(7.60)	(40.68)	(6.32)

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
C. Mortality rate *				
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-

* The effect of change in mortality rate considered as negligible.

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

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

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

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

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

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

Name of the Related Party	Relationship
a) Relan Industrial Finance Ltd. b) Bharat Seats Ltd.	Associate Companies
a) N D R Auto Components Ltd.	Wholly Owned Subsidiary Company
a) Toyo Sharda India (P) Ltd. b) Toyota Boshoku Relan India (P) Ltd.	Joint Venture Companies
a) Mr. Kishan N Parikh (Chairman) b) Mrs. Sharda Relan (Whole Time Director) c) Mr. Ajay Relan (Managing Director)* d) Mr. Rohit Relan (Director) e) Mr. Bireswar Mitra (Executive Director) f) Mr. Ram Prakash Choudhary (Director) g) Mr. Ashok Kumar Bhattacharya (Director) h) Mr. Satindar Kumar Lambah (Director) i) Mr.Udayan Banerjee (Director) j) Mr. Vivek Bhatia (CFO) k) Mr. Nitin Vishnoi (Company Secretary)	Key Managerial Personnel
a) Mrs. Mala Relan (Wife of Managing Director) b) Mrs. Ritu Relan (Wife of Director) c) Ms Aashita Relan (Daughter of Managing Director) d) Mr. Aashim Relan (Son of Managing Director) e) Mr. Rishabh Relan (Son of Director) f) Mr. Pranav Relan (Son of Director) g) Mr. Ayush Relan (Son of Director) h) Mrs. Indira Choudhary (spouse of Director)	Relatives of Key Managerial Personnel

a)	Sharda Enterprises	Enterprises over which Key Managerial Personnel are able to Exercise significant influence
b)	N.D.Relan (HUF)	
c)	Ajay Relan (HUF)	
d)	Rohit Relan (HUF)	
e)	Sharda Auto Solutions Pvt. Ltd.	
f)	A.N.I Hospitality LLP	
g)	Progressive Engineering & Automation Pvt. Ltd.	
h)	Sharda CSR Foundation Trust	

(Rs. in Lakhs)

S.No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	**Sales during the Year**					
	- Bharat Seats Ltd.	-	24265.92	-	-	-
		-	(37921.50)	-	-	-
ii)	**Loan repaid during the Year**					
	- Ajay Relan*	-	-	-	-	-
		-	-	-	(1084.72)	-
	- Rohit Relan	-	-	-	-	-
		-	-	-	(1986.62)	-
	- Sharda Relan	-	-	-	-	-
		-	-	-	(33.70)	-
iii)	**Interest paid on loans during the Year**					
	- Ajay Relan*	-	-	-	-	-
		-	-	-	(71.19)	-
	- Rohit Relan	-	-	-	-	-
		-	-	-	(22.13)	-
	- Sharda Relan	-	-	-	-	-
		-	-	-	(1.30)	-
iv)	**Rent paid during the Year**					
	-Sharda Enterprises	-	-	155.76	-	-
		-	-	(154.77)	-	-
v)	**Remuneration paid**					
	- Ajay Relan*	-	-	-	580.03	-
		-	-	-	(506.05)	-
	-Sharda Relan	-	-	-	488.33	-
		-	-	-	(463.60)	-
	-Bireswar Mitra	-	-	-	21.55	-
		-	-	-	(21.76)	-
vi)	**Salary Paid**					
	-Nitin Vishnoi	-	-	-	28.43	-
		-	-	-	(17.89)	-
	-Mala Relan	-	-	-	-	17.62
		-	-	-	-	(13.61)
	-Vivek Bhatia	-	-	-	110.43	-
		-	-	-	(100.12)	-
	-Aashim Relan	-	-	-	-	153.29
		-	-	-	-	(128.60)

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
vii)	**Reimbursements of Expenses**					
	-Bireswar Mitra	-	-	-	4.66	-
		-	-	-	(4.69)	-
	-Nitin Vishnoi	-	-	-	9.20	-
		-	-	-	(6.88)	-
	-Vivek Bhatia	-	-	-	6.84	-
		-	-	-	(7.27)	-
viii)	**Dividend Paid**					
	- Ajay Relan*	-	-	-	120.01	-
		-	-	-	(240.50)	-
	- Nitin Vishnoi	-	-	-	0.06	-
		-	-	-	(0.13)	-
	- Bireswar Mitra	-	-	-	0.04	-
		-	-	-	(0.07)	-
	-K.N. Parikh	-	-	-	0.01	-
		-	-	-	(0.02)	-
	-Rohit Relan	-	-	-	26.80	-
		-	-	-	(53.60)	-
	-Aashim Relan	-	-	-	-	19.03
		-	-	-	-	(37.66)
	-Ayush Relan	-	-	-	-	4.27
		-	-	-	-	(10.78)
	-Pranav Relan	-	-	-	-	5.77
		-	-	-	-	(13.83)
	-Rishabh Relan	-	-	-	-	7.59
		-	-	-	-	(17.50)
	-Mala Relan	-	-	-	-	32.55
		-	-	-	-	(63.39)
	-Ritu Relan*	-	-	-	-	46.40
		-	-	-	-	(92.82)
	-Aashita Relan	-	-	-	-	1.17
		-	-	-	-	(2.06)
	-Ajay Relan(HUF)	-	-	1.20	-	-
		-	-	(2.40)	-	-
	-ND Relan (HUF)	-	-	1.88	-	-
		-	-	(3.75)	-	-
	-Rohit Relan (HUF)	-	-	2.78	-	-
		-	-	(5.55)	-	-
	-RIFL	-	0.06	-	-	-
		-	(0.01)	-	-	-
	-Indira Choudhary	-	-	-	-	3.28
		-	-	-	-	(6.56)
ix)	**Sitting Fee Paid**					
	-Kishan N Parikh	-	-	-	4.40	-
		-	-	-	(3.60)	-

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
	-Rohit Relan	-	-	-	1.60	-
		-	-	-	(0.80)	-
	-Ram Prakash Choudhary	-	-	-	2.80	-
		-	-	-	(2.60)	-
	-Ashok Kumar Bhattacharya	-	-	-	3.20	-
		-	-	-	(1.60)	-
	-Satinder Kumar Lambah	-	-	-	5.20	-
		-	-	-	(4.41)	-
	-Udayan Banerjee	-	-	-	1.00	-
		-	-	-	-	-
x)	**Sale of Fixed Assets**					
	-Bharat Seats Limited	-	57.90	-	-	-
		-	(185.44)	-	-	-
xi)	**Expenses paid**					
	- A.N.I Hospitality LLP	-	-	-	-	-
		-	-	(0.73)	-	-
xii)	**Advance Received from Customers**					
	Bharat Seats Limited (Tooling Advance)	-	28.40	-	-	-
		-	-	-	-	-
xiii)	**Purchases during the year**					
	Bharat Seats Ltd.	-	245.10	-	-	-
		-	(259.39)	-	-	-
	-Toyo Sharda India (P) Ltd.	218.40	-	-	-	-
		(545.35)	-	-	-	-
xiv)	**Advance Adjusted**					
	-Bharat Seats Limited	-	28.40	-	-	-
		-	-	-	-	-
xv)	**Dividend Received**					
	-Bharat Seats Limited	-	90.00	-	-	-
		-	(81.00)	-	-	-
	-Toyo Sharda India (P) Ltd.	3.75	-	-	-	-
		-	-	-	-	-
xvi)	**CSR Expenditure paid**					
	Sharda CSR Foundation Trust	-	-	12.90	-	-
		-	-	(10.30)	-	-
xvii)	**Investment in Shares**					
	N D R Auto Components Ltd.	-	1.00	-	-	-
		-	-	-	-	-
xvi)	**Net Outstanding Balance payable as on 31.03.2019**					
	- Ajay Relan*	-	-	-	53.83	-
		-	-	-	(161.16)	-
	-Bireswar Mitra	-	-	-	1.35	-
		-	-	-	-	-
	-Nitin Vishnoi	-	-	-	6.77	-
		-	-	-	-	-

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
	-Sharda Relan	-	-	-	43.40	-
		-	-	-	(128.93)	-
	-Mala Relan	-	-	-	0.83	-
		-	-	-	-	-
	-Aashim Relan	-	-	-	12.56	-
		-	-	-	-	-
	-Toyo Sharda India (P) Ltd.	1.32	-	-	-	-
		(46.05)	-	-	-	-
	-Toyota Boshoku Relan India (P) Ltd.	-	-	-	-	-
		(98.85)	-	-	-	-
xvii)	**Balance Receivable as on 31.03.2019**					
	-Bharat Seats Limited	-	685.92	-	-	-
		-	(3074.01)	-	-	-
	-Toyota Boshoku Relan India (P) Ltd.	8.62	-	-	-	-
		-	-	-	-	-
	N D R Auto Components Ltd.	-	0.27	-	-	-
		-	-	-	-	-

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

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

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

Note 36: Operating Lease Arrangements

The Company has entered into operating lease arrangements for various lands and building. These arrangements are non-cancellable in nature and range between five to twenty years and no specific obligation for renewal. There is no restriction imposed in lease arrangement. Lease rental amounting to ₹ 274.04 lakhs (March 31, 2018: ₹ 304.34 lakhs) has been expensed out in Statement of Profit and Loss in note 29 as 'Rent, Rates & Taxes' under 'Other expenses'. The future minimum lease commitments under non-cancellable operating leases are as under:

Particulars	As At March 31, 2019	As At March 31, 2018
Not Later Than 1 year	218.04	129.00
Later than 1 year but not later than 5 years	194.58	337.00
More than 5 years	248.44	237.86
Total	**661.06**	**703.86**

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

Note 38 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
2. Major Customer: Revenue from 3 customers of the Company's manufacturing & trading business are ₹ 84,935.68 lakhs (March 31, 2018 ₹ 92,878.58 lakhs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2019 and March 31, 2018.

Note 39 : Financial instruments - fair values and risk management

39.1 Financial instruments by category and fair values

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Non-current						
Investments in equity instrument *	-	-	1.75	-	-	1.75
Other financial assets						
- Security deposits	-	-	302.04	-	-	279.70
- Deposits with original maturity of more than 12 months	-	-	5.00	-	-	5.00
Current						
Investments in mutual fund & tax free bond	8,235.82	-	-	10,407.08	-	-
Trade receivables	-	-	13,211.46	-	-	12,240.73
Cash and cash equivalents	-	-	7,043.48	-	-	2,200.73
Bank balances other than above	-	-	7,070.79	-	-	5,170.17
Other financial assets						
- Staff advance	-	-	21.24	-	-	25.72
- Interest accrued on fixed deposits	-	-	153.34	-	-	125.36
- Interest accrued on others	-	-	4.96	-	-	0.57
- Receivable from related parties	-	-	8.62	-	-	8.62
Total	**8,235.82**	**-**	**27,822.68**	**10,407.08**	**-**	**20,058.35**
Financial liabilities						
Current						
Trade payables	-	-	19,116.77	-	-	18,291.78
Other financial liabilities						
- Interest accrued	-	-	0.00	-	-	-
- Unclaimed dividend	-	-	39.70	-	-	41.96
- Security deposit	-	-	34.30	-	-	37.05
- Creditors for capital goods	-	-	999.54	-	-	437.28
Total	**-**	**-**	**20,190.31**	**-**	**-**	**18,808.07**

* Investment value excludes investment in associates of ₹ 139 lakhs (March 31, 2018 : ₹ 139 lakhs), investment in joint ventures of ₹ 75.50 lakhs (March 31, 2018 : ₹ 75.50 lakhs), and investment in Subsidiary of ₹ 1.00 Lakh (March 31, 2018 : NIL),which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

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

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

	As At March 31, 2019	As At March 31, 2018
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in mutual fund	8,235.82	10,407.08
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	**8,235.82**	**10,407.08**

39.2 Measurement of fair value

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

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

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

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

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

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

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

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

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

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

Discount rate used in determining fair value

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

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

39.3 Capital management

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

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

	March 31, 2019	March 31, 2018
Total liabilities	24,636.40	23,177.52
Less: Cash and cash equivalents	7,043.48	2,200.73
Adjusted net debt	17,592.92	20,976.79
Total equity	47,462.60	38,452.39
Adjusted net debt to equity ratio	0.37	0.55

39.4 Financial risk management

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

Risk management framework:

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

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

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

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

A. Market risk

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

Currency risk

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

Exposure to currency risk:

(Amount in Lakhs except otherwise specified)

March 31, 2019	**USD**	**EURO**	**JPY**
Foreign currency exposure not hedged (Sell)	11.24	-	-
Foreign currency exposure not hedged (Buy)	40.55	0.82	0.25
Derivative contract outstanding	-	-	-

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

Sensitivity analysis:

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

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

	(Profit) / Loss	
March 31, 2019	**Strengthening**	**Weakening**
USD (5% movement)	(143.44)	143.44
EUR (5% movement)	-	-
JPY (5% movement)	-	-

	(Profit) / Loss	
March 31, 2018		
USD (5% movement)	(31.86)	31.86
EUR (5% movement)	(0.26)	0.26
JPY (5% movement)	(0.01)	0.01

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

B. Credit risk

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

i) Trade receivables

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

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

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

- Original equipment manufacturers (OEMs)

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

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

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

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2018	-	12,224.06	16.67	12,240.73
Trade Receivables as of March 31, 2019	-	13,198.14	13.32	13,211.46

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

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

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

ii) Financial assets

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

	As at March 31, 2019	As at March 31, 2018
Investments	12,086.86	13,572.95
Security deposits	302.04	279.70
Deposit with original maturity of more than 12 months	5.00	5.00
Interest accrued	153.34	125.36
Staff Advance	21.24	25.72
Interest accrued others	4.96	0.57
Receivable from related parties	8.62	8.62
Total	**12,582.06**	**14,017.92**

C. Liquidity risk

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

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

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

As on March 31, 2019, Company doesn't have any outstanding borrowings.

Exposure to liquidity risk:

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

March 31, 2019		**Contractual cash flow**			
	Carrying amount	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
Creditors for capital goods	999.54	999.54	999.54	-	-
Trade payables	19,116.77	19,116.77	19,116.77	-	-
Unclaimed dividends	39.70	39.70	39.70	-	-
Security deposit	34.30	34.30	34.30	-	-
	20,190.31	20,190.31	20,190.31	-	-

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

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

Note 41: Alignment of accounting policy for consolidation

In case of Toyo Sharda India Private Limited, the joint venture, depreciation on property, plant and equipment has been provided on straight line method as per the rates prescribed in Schedule II of the Companies Act, 2013 which is inconsistent with the written down value method of depreciation used in case of Parent. However it is impracticable to harmonise, therefore adjustment for the same has not been made in the consolidation financial statements.

In case of Bharat Seats Limited, an associate, inventory has been valued on weighted average method which is inconsistent with the first in first out method of valuation used in case of Parent. However it is impracticable to harmonise, therefore adjustment for the same has not been made in the consolidation financial statements.

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

Note 43 : Investments In Associates, Joint Ventures and Subsidairy

S. No.	Name of Company	Relationship	Ownership Interest	Country of Residence
1	Bharat Seats Limited	Associate	28.66%	India
2	Relan Industrial Finance Limited	Associate	47.12%	India
3	Toyota Boshoku Relan India Pvt. Ltd.	Joint Venture	50.00%	India
4	Toyo Sharda India Pvt. Ltd.	Joint Venture	50.00%	India
5	NDR Auto Components Ltd.	Subsidairy	100%	India

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as /Associates/ Joint Ventures.

Particulars	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at 31st March 2019		As at 31st March 2018		FY 2018-19		FY 2017-18	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Holding Company								
Sharda Motor Industries Limited	92.33%	43,824.06	92.33%	35,502.77	91.76%	8,679.56	88.49%	7,784.25
Associates								
Bharat Seats Limited	6.41%	3,042.22	6.54%	2,513.63	6.54%	618.59	9.13%	803.14
Relan Industrial Finance Limited	0.57%	271.14	0.55%	210.81	0.64%	60.33	0.80%	70.68
Joint Venture								
Toyota Boshoku Relan India Pvt. Ltd.	0.00%	(0.14)	0.00%	0.10	0.00%	(0.24)	-0.01%	(0.55)
Toyo Sharda India Pvt. Ltd.	0.69%	325.32	0.59%	225.08	1.06%	100.24	1.58%	139.38
Total	**100.00%**	**47,462.60**	**100.00%**	**38,452.39**	**100.00%**	**9,458.48**	**100.00%**	**8,796.90**

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

For & 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 : May 27, 2019

Vivek Bhatia
President & CFO
M.No. 89846

Nitin Vishnoi
Company Secretary
M.No. F3632

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Sharda Motor Industries Limited

(CIN: L74899DL1986PLC023202)
Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi 110020
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
Email: investorrelations@shardamotor.com Website: www.shardamotor.com

34 ANNUAL GENERAL MEETING
ATTENDANCE SLIP

S. No. :

Folio No./DP ID/Client ID	:
Name :	:
Address	:
Shareholder Joint 1	:
Shareholder Joint 2	:
No. of Shares Held	:
PAN No./Sequence No.	

I/We hereby record my/our presence at the 34 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 Friday, the 27th September, 2019 at 12:00 Noon (IST).

Folio No./DP ID/Client ID	Member's / Proxy's name in Block letters	Member's/Proxy's signature

Note:

1. Please complete the Folio No./DP ID/Client ID and name, sign this Attendance Slip and handover at the Attendance Verification Counter at the meeting hall.
2. Electronic copy of the Annual Report for FY 2018-19 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 2018-19 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: Please read instructions given under Note to the Notice of 34 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 34 Annual General Meeting of the Company to be held on Friday, 27th September, 2019 at 12:00 Noon (IST) at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	To receive, consider and adopt: (a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon; (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon
2	To appoint Shri Rohit Relan (DIN: 00257572), who retires by rotation, being eligible and offers himself for re-appointment as Director of the Company
3	To appoint Shri Udayan Banerjee (DIN: 00339754) as a Independent Director of the Company
4	To appoint Shri Nitin Vishnoi (DIN: 08538925) as a Director of the Company
5	To appoint Shri Nitin Vishnoi (DIN: 08538925) as a Whole Time Director of the Company
6	To ratify the remuneration to be paid to M/s Gurdeep Singh & Associates, Cost Auditors of the Company.

Signed this …….day of ……2019

Affix Re 1.00 Revenue Stamp

Signature of shareholder ……..

Signature of proxy holder(s) ……....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statement and notes, please refer to the notice of 34 Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.

SHARDA MOTOR INDUSTRIES LIMITED
CIN: L74899DL1986PLC023202
Registered Office:
D-188, Okhla Industrial Area, Phase-I, New Delhi-110020
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
Website: www.shardamotor.com

Print Media: +91-11-29541681, 9873000211

34 Annual Report 2018-19

SHARDA
MOTOR INDUSTRIES LIMITED

BOARD OF DIRECTORS	SHRI KISHAN N PARIKH	Chairperson
	SMT SHARDA RELAN	Co-Chairperson
	SHRI AJAY RELAN	Managing Director & CEO
	SHRI ROHIT RELAN	Director
	SHRI R. P. CHOUDHARY	Director (ceased w.e.f 01.04.2019)
	PROF. ASHOK KUMAR BHATTACHARYA	Director
	SHRI SATINDER KUMAR LAMBAH	Director
	SHRI BIRESWAR MITRA	Executive Director
	SHRI UDAYAN BANERJEE	Additional Director (appointed w.e.f. 13.02.2019)
CHIEF FINANCIAL OFFICER	SHRI VIVEK BHATIA	
COMPANY SECRETARY	SHRI NITIN VISHNOI	
AUDITORS	**STATUTORY AUDITORS** M/s. GUPTA VIGG & CO. CHARTERED ACCOUNTANTS	
SECRETARIAL AUDITORS	M/s. VKC & ASSOCIATES COMPANY SECRETARIES	
COST AUDITORS	M/s. GURDEEP SINGH & ASSOCIATES COST ACCOUNTANTS	
BANKERS	YES BANK KOTAK MAHINDRA BANK HDFC BANK STATE BANK OF INDIA	
REGISTERED OFFICE	D-188, OKHLA INDUSTRIAL AREA, PHASE - I, NEW DELHI - 110 020, INDIA WEBSITE: WWW.SHARDAMOTOR.COM E-MAIL: investorrelations@shardamotor.com Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676 CIN: L74899DL1986PLC023202	

CONTENTS

Message of Managing Director. 02

Notice 03

Directors' Report. 12

Report on Corporate Governance 39

Management Discussion & Analysis Report. 53

Standalone Financial Statements 55

Consolidated Financial Statements. 106

Managing Director's Message

Dear Shareholders,

It is my privilege to present the Annual Report for 2018-19 as Managing Director of Sharda Motor Industries Limited. This year, we have marked 34 glorious years by creating the value for stakeholders.

India's automotive industry is the fourth-largest in the world (by production). The annual production of vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle has registered a growth of *6.26 percent in FY 2018-19 compared to last year but for Q1 - FY 2019-20 it has registered a decline of *10.53 percent over the same period of last year. Therefore the sector which was growing at a good pace is now facing the slowdown and we expect to see government policy supporting auto growth through reduction of GST rates and implementation of National Electric Mobility Mission Plan 2020. However, according to IHS Automotive, a global market information provider, by 2026 India is expected to be the third largest automotive market in the world. The Indian auto industry is facing challenges, including adapting to a structural shift towards electric vehicles (EVs), shared mobility options with ride-sharing permeating the urban landscape, a pan-India shift to Bharat Stage-VI emission by 2020 and enhanced safety norms. As such, we will have to be more agile than ever and work towards being future-ready.

Your Company always embarks towards the development of new products and technology with a foremost commitment for facing the aforesaid challenges and to delight the customer with advanced products by setting up of new industry benchmarks. We shall continue to develop new and cutting-edge products at a faster pace and aggressively expand our pan-India footprint, considering that it has always been the focus of the management of the Company to increase the stakeholder'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.

AJAY RELAN

The support of our valued customers, suppliers, Government of India, the state governments, local communities and key contractors has been a key enabler. I personally thank, all the stakeholders for their help. On your behalf, I also take this opportunity to thank all employees of your Company for their continued hard work, solidarity, cooperation and support. On behalf of the Board, I would like to thank all valued Shareholders for your support and for your trust in SMIL family which aims to go a long way to enable us resolutely move in our journey and keep the faith bestowed upon us by delivering enduring value for our stakeholders.

Finally, I thank you for your continued trust, confidence and support.

Best Regards,
Ajay Relan
Managing Director

** The provided figures are based on the data shared by Society of Indian Automobile Manufacturer "SIAM".*

NOTICE

NOTICE is hereby given that the Thirty four (34) Annual General Meeting (AGM) of the members of Sharda Motor Industries Limited ("the Company") will be held at PHD Chamber of Commerce & Industry, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016, India, on Friday, 27th September, 2019 at 12:00 Noon (IST), to transact the following business(es):

ORDINARY BUSINESS:

1. **To receive, consider and adopt: (a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:**

   a) **"RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.

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

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

SPECIAL BUSINESS:

3. **TO APPOINT SHRI UDAYAN BANERJEE (DIN: 00339754) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualifications of Directors) Rules, 2014, and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Udayan Banerjee (DIN: 00339754), who was appointed as an Additional Director (in the capacity of an Independent Director) of the Company with effect from 13th February, 2019 and who holds office upto the date of this Annual General Meeting (AGM), in pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director of the company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold the office of Independent Director for a term up to 31st December, 2021.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

4. **TO APPOINT SHRI NITIN VISHNOI (DIN: 08538925) AS A DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Section 152,161 of the Companies Act, 2013 ("the Act"), read with Companies (Appointment and Qualifications of Directors) Rules, 2014, and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"),and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri. Nitin Vishnoi (DIN:08538925), who was appointed as Additional Director of the Company, with effect from 3rd September, 2019 and who holds office up to date of this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director of the company,be and is here by appointed as the Director of the Company, liable to retire by rotation.

   "RESOLVED FURTHER THAT the Ajay Relan, Managing Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **TO APPOINT SHRI NITIN VISHNOI AS A WHOLE TIME DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Sections 196,197 and 203 read with Schedule V and other applicable provisions of the Companies Act,2013 ("Act"), and the Companies (Appointment an Remuneration of Managerial Personnel) Rules 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Article of Association of the company, subject to the such consent, approvals and permission as may be needed in this regards, consent of the members of the Company be and is here by accorded for the appointment of Shri Nitin Vishnoi (DIN:08538925), as a Whole-Time Director (Designated as Executive Director) of the company for a period of 5 (Five) consecutive years with effect from 3rd September, 2019 on the terms and conditions including remuneration and other perquisites as set-out in Explanatory Statement annexed to this Notice.

FURTHER RESOLVED THAT where in any financial year during the current of tenure of the Appointee, the Company has no profits or its profits are inadequate, the company shall pay remuneration by way of salary and other entitlements as specified above, subject to limits laid down in the Companies Act, 2013 and Schedules/ Rules made there under.

FURTHER RESOLVED THAT in the event of any liberalization / revision in the ceiling on permissible managerial remuneration or otherwise, the Board of Directors be and is hereby authorized to alter, vary or increase the remuneration, notwithstanding the overall remuneration set out as above, as may be permissible / prescribed without requiring any further resolution or consent of / reference to the Members.

FURTHER RESOLVED THAT the appointment may be terminated by either party by giving, in writing, to other party, three calendar months' notice or such other period as may be agreed mutually.

FURTHER RESOLVED THAT Shri Ajay Relan, Managing Director of the Company be and is hereby authorized to file and submit necessary forms and returns with the Registrar of Companies and to do such other things, deeds and act as may be considered necessary for the purpose."

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 provision of Section 148 of the Companies Act, 2013, read with rules framed thereunder and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other permissions as may be necessary and on the recommendation of the Audit Committee of the Company, the members of the Company do hereby ratify the remuneration of Rs. 100,000 (Rupees One Lakh only) excluding applicable taxes and other out-of pocket expenses payable to M/s. Gurdeep Singh & Associates, Cost Auditors, appointed by the Board of Directors of the Company to conduct the audit of cost records of the specified products (Generator Parts, parts of house hold and others) for the financial year 2019-20."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein offered to any committee of Directors or Director(s) to give effect to the aforesaid resolution."

By Order of the Board
For SHARDA MOTOR INDUSTRIES LTD.

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 12th August, 2019
Place : New Delhi

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI Listing 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 PROXY (IES) TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE 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** be for the commencement of meeting. Corporate members intending to send their authorized 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 Member of the Company.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2019 to Friday, 27th September, 2019 (both days inclusive).

4. 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 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. Whereas the Members holding shares in physical form are requested to intimate to our Registrar and Share Transfer Agent (RTA), Alankit Assignments Limited for carrying out the aforesaid changes.

5. Members holding shares in physical mode are requested to register their email IDs with the Registrar and Share Transfer Agent of the Company whereas the Members holding shares in demat mode are requested to register their email IDs with their respective DPs in case same is still not registered.

6. Members holding shares in physical form in identical order of names in more than one folio may send the the details of such folios together with the share certificates for consolidating their holding in one folio to the Company or Alankit Assignments Limited (RTA) and the consolidated share certificate will be returned to such members after making requisite changes thereon.

7. 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 shall be entitled to vote.

8. 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.

9. Members of the Company are informed that pursuant to the provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund ("IEPF") constituted by the Central Government and thereafter, no claims shall lie against the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and its applicable rules.therefore, it is advised to claim the same from the Company.The due dates of transfer of the following dividends to IEPF are asunder:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	PROPOSED DUE DATE FOR TRANSFER TO IEPF
31.03.2012	12.09.2012	10.10.2019
31.03.2013	06.02.2013*	04.03.2020
31.03.2013	02.09.2013	30.09.2020
31.03.2014	29.01.2014*	27.02.2021
31.03.2014	03.09.2014	01.10.2021
31.03.2015	10.02.2015*	08.03.2022
31.03.2015	26.08.2015	24.09.2022
31.03.2016	05.02.2016*	03.03.2023
31.03.2016	07.09.2016	05.10.2023
31.03.2017	05.02.2017*	03.03.2024
31.03.2017	30.08.2017	28.09.2024
31.03.2018	12.02.2018*	10.03.2025
31.03.2018	27.09.2018	25.10.2025

* Interim Dividend

The Company has transferred all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more along with the unpaid or unclaimed dividend for that period to the Investor Education & Protection Fund. Members who have so far not claimed their shares/dividends for the said period may claim their dividend and shares from the Investor Education & Protection Fund by submitting an application in the prescribed form.

10. The Notice of the AGM alongwith the Annual Report 2018-19 is being sent through 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 are also available on Company's website www.shardamotor.com

11. 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.

12. Members can avail of the nomination facility by filing form SH-13, as prescribed under section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company/ RTA.

13. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, Secretarial Standard-2 and Listing Regulations, the 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 Entry our User ID (For CDSL:16 digits beneficiary ID, For NSDL :8 Character DPID followed by 8 Digits Client ID, Members holding shares in physical form should enter Folio Number registered with the Company)

(iv) Enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. 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).

After entering these details appropriately, click on "SUBMIT" tab.

(vi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(ix) On the voting page,you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote,click on"OK",else to change your vote,click on"CANCEL"and accordingly modify your vote.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xiv) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xv) Shareholders can cast their vote using CDSL's mobile app m-voting available for android based mobiles. Them-voting app can be downloaded from Google play store. Apple and Windows phone users can download the app from the App

Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xvi) Note for Non-Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF,NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to (xvi) above to cast vote.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(D) The Remote e-voting period will commence on Tuesday, 24th September, 2019 (09:00 a.m. IST) and ends on Thursday, 26th September, 2019 (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. Friday, 20th September, 2019, (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 Friday, 20th September,2019 (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, Managing Partner (Membership No. FCS 5327) and failing of him Shri Mohit K Dixit, Partner, (Membership No. A49021), of M/s VKC Associates, Practicing Company Secretaries, having consented to act as a scrutinizer, has been appointed as the Scrutinizer ("Scrutinizer") to scrutinize the voting process (Ballot Paper as well as remote e-voting) in a fair and transparent manner.

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 notice and accompanying explanatory statement will be available for inspection at the Registered Office of the Company during 11:00 a.m. to 01:00 p.m. on all working days i.e. Monday to Friday up to the date of AGM and will also be available for inspection at the AGM.

21. **INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING REGULATIONS AND SECRETARIAL STANDARD - 2 AND REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

As required under Listing Regulations and Secretarial Standard - 2, the particulars of Directors who are proposed to be appointed / re- appointed, during the year under review are furnished below:

Particulars	Shri Rohit Relan	Shri Udayan Banerjee	Shri Nitin Vishnoi
Date of Birth (as on date)	02nd July, 1955 (64 years)	15th January, 1947 (72 Years)	18th January, 1970 (49 Years)
Nationality	Indian	Indian	Indian
DIN:	00257572	00339754	08538925
Date of First Appointment on the Board of the Company	25th May, 1991	13th February, 2019	03rd September, 2019

Particulars	Shri Rohit Relan	Shri Udayan Banerjee	Shri Nitin Vishnoi
Qualification	FCA, OPM (USA)	MSc. in Applied Science (IIT Kharagpur)	B.Com Honors & Fellow Member of Institute of Company Secretaries of India
Experience, Expertise & other details	He has an over all experience of 33 years in the field of Account, Finance, Business Management & Capital Market and other details are mention in brief profile bellow.	He has an over all experience of 45 years in the field of Business Management, Operations and other details are provided in explanatory statement to Item No.3 of the Notice	He has an overall experience of more than 26 years in the field of Corporate Governance, Compliance Management & Corporate Restructuring and other details are provided in explanatory statement to Item Nos. 4 & 5 of the Notice
Brief profile	Rohit Relan is the Non Independent Non-Executive Director of our Company. He is a Fellow Member of the Institute of Chartered Accountants of India and he took three years training from Harvard Business School, U.S.A under Owner/President Management (O.P.M.) Programme and is Managing Director of Bharat Seats Ltd, a joint venture company of Maruti Udyog Limited and Suzuki Motor Limited, Japan. He has a vast experience in the line of Finance and Total Productivity Maintenance.	Mentioned in the Explanatory Statement to Item No. 3 of the Notice	Mentioned in the Explanatory Statement to Item Nos. 4 & 5 of the Notice
Shareholding in the Company	428,818 Equity shares	**NIL**	1,000 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	1. Ajay Relan(Brother) 2. Sharda Relan (Mother)	None	None
Remuneration received from the Company in the financial year 2018-19.	Sitting fees : Rs. 1.60 Lacs	Sitting fees : Rs. 1.00Lacs	Sitting fees : NIL Remuneration :Rs. 37.63 Lacs as Company Secretary
Number of meetings of the Board held and attended during the financial year 2018-19	Board Meeting held: 6 Board Meeting attended: 4	Board Meeting held: 2 Board Meeting attended: 2	Not Applicable (in the capacity of Director)
Directorships held in listed entities in India (including this listed entity)	Two 1. Sharda Motor Industries Limited 2. Bharat Seats Limited	One 1. Sharda Motor Industries Limited	None
Chairman/ Member of Committee of the Board of listed entities in which they are director	None	Sharda Motor Industries Limited a) Audit Committee(Member) b) Nomination and Remuneration Committee (Member) C) Stakeholders Relationship Committee(Member)	None

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee and in pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, has appointed Shri Udayan Banerjee (DIN 00339754) as an Additional Director, designated as Independent Director on the Board of the Company w.e.f. 13th February, 2019 for a tenure of upto 31st December, 2021, subject to approval of the Members.

According to the provisions of Section 161(1) of the Act, Shri Udayan Banerjee to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director.

The Company has received declarations from Shri Udayan Banerjeethat he meets the criteria for independence as provided in Section 149 of the Act along with the rules framed thereunder and SEBI Listing Regulations and has submitted declaration to that effect that he is eligible for appointment as an Independent Director and is not disqualified / debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority. He is independent of the management of the Company.

Brief profile of Shri Udayan Banerjee as under:

Sh. Udayan Banerjee holds Masters Degree in Earth Science from IIT Kharagpur in 1969 and also holds diploma in work study from Work Factor Co. of USA in 1978. Sh. Udayan Banerjee started his career in year 1970, as Management Trainee with 'Bata Shoes Limited', wherein he was nominated to attend course on work-study under Johan Hopkins University in United States of America in the Year 1978. In Year 1981, Sh. Udayan Banerjee joined Stepwel Industries Limited, as Production Manager. During his tenure with Stepwel Industries Limited, he contributed to the Development and Marketing of "Piere Cardin" brand in India, besides developing business in West Germany and United Kingdom. Sh. Udayan Banerjee served 'Stepwel Industries Limited' for five years. Subsequently, Sh. Udayan Banerjee worked as Technical and Marketing consultant with UNCTAD/ GATT (presently WTO) for two years and made significant contribution in setting up of three manufacturing units in Bangladesh and two in Indonesia. In year 1988, Sh. Udayan Banerjee started working as an Independent Consultant / agent for marketing of plant, machinery and material to various internationally reputed companies of Japan, France and Italy.

Sh. Udayan Banerjee was associated with Sharda Motor Industries Limited (SMIL) at various positions for approx. 17 years. During his association with SMIL, he led several teams for successful setting up of Manufacturing Units of Automobile Components. Sh. Udayan Banerjee initiatives enabled SMIL to enter into technical collaboration for manufacturing of mono block exhaust system. He also played a key role in setting up and commissioning of R&D facility of SMIL, located in Chennai. During his tenure with SMIL, Sh. Udayan Banerjee acquired vast experience in foreign collaboration (Technical) for Auto Components especially in emission controls and had the distinction of setting up various industrial units of SMIL. At present Sh. Udayan Banerjee is actively involved in child development, teaching poor children and helping them to develop their various inherent qualities and is also involved in rural development in the field of environment protection and child health care.

Except Shri Udayan Banerjee being the appointee is interested in the resolution set-out at item no. 3. Save and except the foregoing None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends this resolution as set forth in the Notice as Item No. 3 (being Special Business), be passed as an Ordinary Resolution for consideration and approval of the shareholders

Item No. 4 & 5

On the recommendation of Nomination & Remuneration Committee (considering his background ,experience and contribution made to the Company), the Board of Directors of the Company, at its meeting held on 12th August ,2019 has considered and approved the appointment of Shri Nitin Vishnoi as an Additional Director on the Board of the Company with effect from 3rd September, 2019 & and also as a Whole-Time Director (designated as Executive Director) for a period of 5 (Five) consecutive years with effect from 3rd September, 2019 , subject to the approval of Shareholders of the Company on such terms & conditions as mentioned in the proposed resolutions here in under item no.4 and 5 and remuneration and other perquisites as set-out hereunder.

Salary		:	Basic: Rs. 130,000 per month, in the range of Rs.1,00,000 to Rs. 3,00,000 per month
HRA		:	Rs. 52,000 per month, in the range of Rs. 50,000 to Rs.1,50,000 per month.
Other Entitlements			
1	Special Allowance	:	Subject to a maximum of 50% of Basic Salary per month.
2	Reimbursement of Expenses	:	Reimbursement of Expenses including Books & Periodicals, Entertainment and Driver's Salary, subject to a maximum of Rs. 43,200 per month.
3	Personal Accidental & Medical Insurance	:	As per Company Rules and Policy
4	Leave Travel Concession	:	For self and family, as per Company Rules and Policy.
5	Earned / Privilege Leave	:	As per Company Rules. Leaves accumulated but not availed of during his tenure and cashable as per Company Rules.
6	Car	:	Provision of car and Reimbursement of actual expenses of vehicle, for official use only.

7	Mobile	:	Reimbursement of Mobile Expense on actual basis.
8	Provident Fund	:	Company's Contribution towards Provident Fund, Pension Fund & Superannuation Fund as per the Company Rules.
9.	Gratuity		Gratuity as per the Payment of Gratuity Act, 1972 including any amendment or re-enactment thereof.
10	Performance Incentive		Subject to a maximum of 20% of Basic Salary per annum to be paid quarterly/ half yearly/ Annually basis, based on the performance parameters or as may be decided by the Nomination & Remuneration Committee and Board of Directors.
11	Others		Such other perquisites, allowances and benefits in accordance with the rules/ policies of the Company or as may be approved by the Nomination & Remuneration Committee / Board of Directors of the Company.

"Family means the Spouse, Dependent Children and Parents of the appointee."

According to the provisions of Section 161(1) of the Act, Shri Nitin Vishnoi to hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director of the Company.

The Company has received declarations from Shri Nitin Vishnoi to the effect that he is willing to be appointed / re-appointed or continue as Director of the Company and that he is eligible and is not disqualified / debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority.

Brief profile of Shri Nitin Vishnoi as under:

Shri Nitin Vishnoi (aged about 49 years) is a fellow member of Institute of Company Secretaries of India and also holds a Bachelor's degree in Commerce with Honours. He has an over all work experience of more than 26 Years. In year 2002, he was appointed as Company Secretary of the Sharda Motor Industries Limited ("the Company"), be fore joining the Company he worked as Manager (Finance & Accounts) in Korin India Limited, which has been amalgamated with the company and also worked with Financial Eyes India Ltd. In the year 1994-95 also he served your company as a Company Secretary and contributed a lot during this small tenure .

Having his long association with the Company he has headed the Corporate Secretarial Department, and has substantially contributed to various other operational are as like finance, accounts, taxation, various financial tools and other financial projects including the successful implementation of the ERP in the Company. He has an expertise in the field of Corporate Restructuring, Compliance Management and Corporate Governance. Presently he is also leading / looking after the Corporate Governance Philosophies of Company / Group Companies & is continuously streamlining the processes and systems by introducing best benchmarks of the Industry.

Keeping in view that Shri Nitin Vishnoi has rich and varied experience and has been involved in the operations of the Company since a long time, based on his Performance and on the recommendation of Nomination and Remuneration Committee (considering his background, experience and contribution made to the Company) and that in the opinion of 'Nomination and Remuneration Committee' and the 'Board of Directors' proposed appointee possess the relevant expertise and experience and his appointment as Director on the Board would be of immense benefit to the Company. Therefore, it is proposed before the Members of the Company to appoint Shri Nitin Vishnoi as Director of the Company, liable to retire by rotation and Whole-Time Director on the Board of the Company for a period of 5 (Five) consecutive years from 3rd September, 2019.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 & 5 (being Special Business) of the Notice for approval by the Members.

Except Shri Nitin Vishnoi being the appointee is interested in the resolution set-out at item no.4 and 5. Save and except the foregoing none of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

Item No. 6

The Board of Directors of the Company at its Meeting held on 12th August, 2019 and on the recommendation of the Audit Committee, have considered and approved the appointment of M/s Gurdeep Singh & Associates, as Cost Auditors of the Company to conduct the Audit of Cost Records of the specified products (i.e. Generator Parts, parts of house hold and others) at a remuneration of Rs. 100,000 (Rupees One Lacs) plus applicable Tax as applicable and other out-of pocket expenses for the financial year 2019-20. 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 2019-20 by way of an ordinary resolution is being sought from the members as set out at item no. 6 of the Notice. None of Directors / Key Managerial Personnel of the Company / their relative are, in any way, concerned or interested, financially or otherwise, in resolution set out at item no 6.

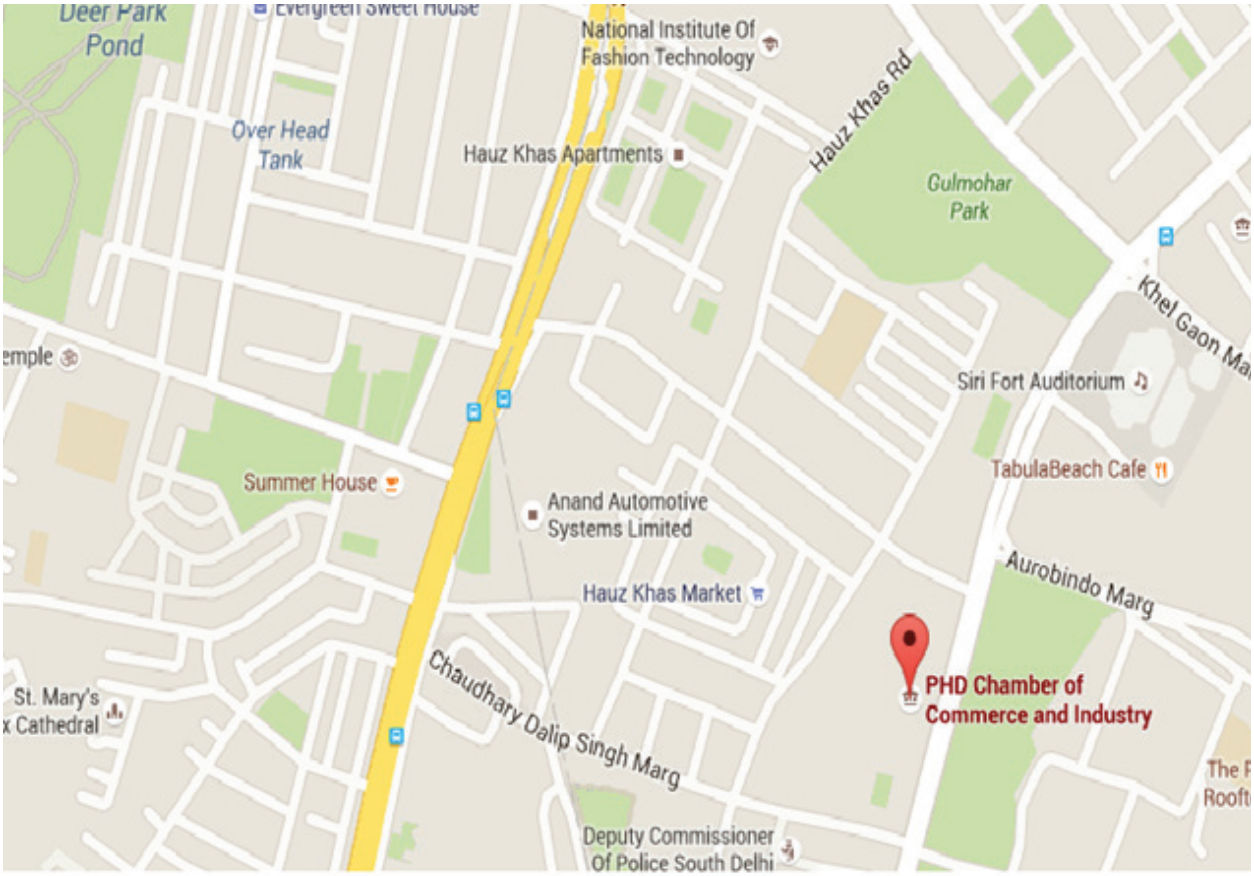
The Board has recommended the above ordinary resolution for your approval.

By Order of the Board
For SHARDA MOTOR INDUSTRIES LTD.

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 12th August, 2019
Place : New Delhi

Route map to the venue of the AGM



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Fourth (34) Directors' Report on the business and operations of the Company together with the financial statements for the financial year ended on 31st March, 2019.

FINANCIAL SUMMARY

(Rs. in Lakhs)

Particular	Standalone		Consolidated	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018	Year Ended 31st March, 2019	Year Ended 31st March, 2018
Revenue from operations	113,987.27	120,425.88	113,987.27	120,425.88
Other Income	2,197.71	1,780.30	2,103.96	1,699.30
Total Revenue	**116,184.98**	**122,206.18**	**116,091.23**	**122,125.18**
Profit before Financial Charges, Depreciation	**16,730.72**	**21,205.65**	**16,636.19**	**21,124.65**
Less : Financial Costs	4.59	213.00	4.59	213.00
Less : Excise duty	-	4,881.31	-	4881.31
Profit before Depreciation, Exceptional Items & Taxes	**16,726.13**	**16,111.34**	**16,631.60**	**16,030.34**
A. Depreciation	4,096.83	4,377.89	4,096.83	4,377.89
B. Exceptional items	-	58.73	-	58.73
Taxation				
– Current Tax	4,022.65	4,088.59	4,022.65	4,088.59
– Deferred Tax Charged/ (Released)	(179.39)	(274.89)	(179.39)	(274.89)
Profit for the year before share of profit/(loss) of associates and joint ventures	**8,786.04**	**7,861.02**	**8,691.51**	**7,780.02**
Share of profit/(loss) of associates (net of tax)	-	-	674.24	879.32
Share of profit/(loss) of Joint venture (net of tax)	-	-	99.78	137.78
Profit for the year	**8,786.04**	**7,861.02**	**9,465.53**	**8,797.12**
Add: Profit brought forward from Previous year	13,882.38	6915.96	16,838.59	8936.08
Profit available for appropriation	22,668.42	14,776.98	26,304.12	17,733.20
APPROPRIATIONS				
Dividend	371.65	371.63	371.65	371.63
Tax on Dividend	76.61	75.67	76.61	75.67
Interim Dividend	-	371.63	-	371.63
Tax on Interim Dividend	-	75.67	-	75.67
Transferred to General Reserves	-	-	-	-
Balance carried forward to Balance Sheet	22,220.16	13,882.38	25,855.85	16,838.59
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 116,091.23 Lakhs as against 122,125.18 Lakhs of previous year. Profit before taxation was Rs. 12,534.77 Lakhs as against Rs. 11,593.72 Lakhs of previous year (i.e. increased by approx 8.12%) during the year whereas the finance cost has been reduced to Rs. 4.59 Lakhs from Rs. 213 Lakhs. Net Profit after taxes of the company has increased by approx 7.60 % year on year basis.

Consolidated performance

During the year under review, the total revenue from operations and other income was 116,184.98 Lakhs as against 122,206.18 Lakhs of previous year. Profit before taxation was Rs.12,629.30 Lakhs as against Rs.11,674.72 Lakhs of previous year (i.e. increased by

approx 8.18%) during the year whereas the finance cost has been reduced to Rs. 4.59 Lakhs from Rs.213 Lakhs. Net Profit after taxes of the company has increased by approx 11.77 % year on year basis.

Standalone performance

During the year under review, the total revenue from operations and other income was 116,184.98 Lakhs as against 122,206.18 Lakhs of previous year. Profit before taxation was Rs.12,629.30 Lakhs as against Rs.11,674.72 Lakhs of previous year (i.e. increased by approx 8.18%) during the year and finance cost has been reduced to Rs. 4.59 Lakhs from Rs.213 Lakhs. Net Profit after taxes of the company has increased by approx 11.77 % year on year basis.

During the year under review; the company has not changed the nature of its business.

DIVIDEND & RESERVES

In order to conserve cash for future Business requirements including Investment required for BS VI Product Development, the Board has not recommended any divided for this financial year.

During the year under review, the Company has not transferred any amount to the Reserves.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The existing composition of the Board is fully in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Further all the Directors of the Company have given declaration that they are not debarred from being appointed / re-appointed or continuing as Director of the Company by the virtue of any Order passed by the SEBI, Ministry of Corporate Affairs or any such Statutory Authority. All the Independent Directors meets / fulfills the criteria / conditions of Independence as prescribed under the Companies Act and Listing Regulations and are Independent of the Management of the Company.

Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations and other applicable provisions, if any the shareholders of the Company by means of Postal Ballot / e-voting, has accorded their approval for continuation of Directorship of Shri Satinder Kumar Lamba has Independent Director on the Board of the Company for his remaining tenure till February 4, 2021.

During the year under review, Shri Udyan Banerjee was appointed as an Additional Director, designated as Independent Director on the Board of the Company w.e.f. 13th February, 2019 and subject to the approval of members i.e. proposed before this Annual General Meeting, to hold office for a term upto 31st December, 2021.

Shri Ram Prakash Choudhary, Non-Executive Director of the Company has resigned from the Directorship of the Company, with effect from the closing of business hours of 31st March, 2019, due to the personal reasons.

The Shareholders of the Company (by means of Postal Ballot dated 27th May, 2019) has approved the Re-appointment of Shri Kishan Nagin Parikh & Shri Ashok Kumar Bhattacharya as Independent Directors of the Company for a second term of five consecutive years commencing with effect from 3rd September, 2019 to 2nd September, 2024 and the Result on the same was declared on July 17, 2019.

Shri Bireswar Mitra, Whole Time Director of the Company vide. its Letter dated 12th August, 2019 has tendered his resignation from the Directorship of the Company with effect from the closing of business hours of 2nd September, 2019, due to personal reasons and health issues.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on 12th August, 2019, has appointed Shri Nitin Vishnoi as an Additional Director with effect from 3rd September, 2019 and who holds office as such till the ensuing Annual General Meeting. The Board of Directors has also appointed Shri Nitin Vishnoi as Whole Time Director of the company for a period of 5(Five) consecutive years from 3rd September, 2019, subject to the approval of Shareholders of the Company. The resolutions seeking member's approval for his appointment form part of the Notice,at Item Nos. 4 & 5, calling this Annual General Meeting.

Pursuant to section 152 of the Companies Act, 2013, Shri Rohit Relan (DIN: 00257572) director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible offers himself for re-appointment.

A brief profile of the above mentioned directors seeking appointment / re-appointment at the ensuing Annual General Meeting (AGM) of the Company has been provided in the Explanatory Statement of the Notice of this AGM.

All of the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment and had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committee of the Company.

During the year under review there is no change in Key Managerial Personnel(s) of the Company.

NUMBER OF MEETINGS OF THE BOARD

Number of Board and committee meetings including the date of the meeting and attendance thereof by each director during the year is given in Report on Corporate Governance that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations.

BOARD LEVEL PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations and other applicable provisions, if any. The Board of Directors ("Board") at its meeting held on 27th May, 2019, carried out the performance evaluation of its own performance and that of its committees and individual directors.

The performance of the Board was evaluated through the ratings given by each Director based on the structured questionnaire that was prepared after considering the approved 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 also evaluated by the Board after seeking inputs / ratings from the committee members on the basis of the approved criteria such as the composition of committees, effectiveness of committee meetings etc.

The report of performance evaluation was then discussed and noted by the Board of Directors.

The Board of Directors has 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.

The Directors expressed their satisfaction with the evaluation process. The Board also noted that the Independent Directors fulfills the independence criteria as specified in the Listing Regulations and are Independent of the Management of the Company.

NOMINATION, REMUNERATION & EVALUATION POLICY

Pursuant to Section 134(3) read with 178 of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at http://www.shardamotor.com/wp-content/uploads/2018/08/NRC-policy.pdf.

AUDIT COMMITTEE

Audit Committee comprises of five members out of which four are independent directors including Shri Kishan N Parikh, Independent Director, is the Chairperson of the Committee. Smt. Sharda Relan, Executive Director of the Company is also a Member of the Committee. All the 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 2018-19.

SCHEME OF ARRANGEMENT

The Board of the Company at its Meeting held on 5th April, 2019 has considered and approved the Scheme of Arrangement ("the Scheme") through Demerger between the Company and NDR Auto Components Limited (Wholly Owned Subsidiary) and their respective shareholders, creditors under Section 230 to 232 and any other applicable provisions of Companies Act, 2013 on a going concern basis w.e.f. December 31, 2018 as on the appointed date to demerge the Automobile Seating Business of the Company into NDR Auto Components Limited. The Scheme is subject to the approval(s) of requisite authorities.

AUDITORS

Secretarial Auditors & Auditors Reports

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 and other applicable provisions, is any, the Board of Directors has appointed M/s.VKC & Associates, Company Secretaries in practice, bearing CP. No. 4548 as Secretarial Auditor of the Company, to conduct Secretarial Auditor the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith marked as **Annexure I** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Statutory Auditors & Auditors Reports

Pursuant to the provisions of sections 139 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. Gupta Vigg & Co., Chartered Accountants (Firm Registration No. 001393N) were appointed by the Members as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, from the conclusion of the 32nd Annual General Meeting of the Company held on 30th August, 2017 till the conclusion of 37th Annual General Meeting of the Company to be held in year 2022.

Further the Statutory Auditors have confirmed that they are not disqualified from being continued as Statutory Auditors of the Company in terms of the provisions of Section 139(1), Section 141(2) and Section 141(3) of the Act and the other applicable provisions of the Companies (Audit and Auditors) Rules,2014.

During the year under review there was no incident related to fraud which was reported to the Audit Committee or Board of Directors under section 143(12) of the Companies Act, 2013 by the Statutory Auditors of the Company. Hence, no detail is required to be disclosed under Section 134 (3) (ca) of the said Act. The Auditors' Reports (Standalone & Consolidated) to the Shareholders does not contain any qualification, reservation or adverse remarks. The notes on financial Statement referred to in the Auditors' Report are self-explanatory and do not require any further comments.

Cost Auditors & Cost Audit Report

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and based on the recommendation of audit committee, the Board of Directors of the Company has appointed M/s. Gurdeep Singh & Associates (holding M.No. 9967) as Cost Auditors of the Company for conducting the cost audit for the Financial Year 2019-20, subject to ratification of remuneration by the members in the ensuing Annual General Meeting. The Company has received a letter from Cost Auditors of the Company to the effect that their, appointment is within the limits prescribed as per the Companies Act, 2013 and are not disqualified from being appointed as Cost Auditors of the Company.

Further the Company has made and maintained all such accounts and cost records, as specified in section 148 of the Companies Act,2013 read with sub rule (5) of rule 8 of the Companies (Accounts) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your company has made donation of Rs. 12.90 Lacks to Sharda CSR Foundation Trust ("Trust") which is a philanthropic arm of the Company, the Trust has undertaken several activities including the Distribution of School Bags and Stationary among School children's for the promotion of education, other several projects and programmes based on the recommendation of the Corporate Social Responsibility Committee of the Company especially in the area of Education & Healthcare was also undertaken by Trust like Donation of Speech Hi-Fi device for Deaf and Dumb Student of Padsad Karnbadhir Vidhyalay in Nasik as a drive to promote education among disabled students and the Company has also donated as sum of Rs. 1 Lacs towards to Rotary Club in Nasik as its contribution in Mini Marathon held in February 3, 2019 in Nasik, Maharashtra to create general awareness among the People in the Healthcare Sector. Apart from the above the Company is committed towards making a sustainable impact on the society through its CSR projects and programmes in the long term like Building of Medical Centers, clinics and dispensaries.

The purpose of the trust is to sponsor various projects like Blood Donation Camps, Toilet Construction in the poor rural sectors, Stationary donation and infrastructure development to the low income government schools, blanket distribution to the poor and needy people of slum communities. The Company is moving rapidly towards achieving its goal by increasing the pace of the activities at various levels.

CSR Committee of the Company has identified certain long term projects and programmes which will be focused in the coming years in the area of education & healthcare. These can be implemented through Sharda CSR Foundation Trust or any other implementing agency in the most effective way to reach the society at large.

Details of composition of Committee, no. of meetings, attendance at the meetings, are provided in the Corporate Governance Report forming part of this annual report. Corporate Social Responsibility Policy of the company is available on the website of the Company (www.shardamotor.com).

In terms of Section 135 and rules made thereunder an annual report on CSR activities, expenditure, committee composition etc. is provided as **Annexure II** 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 III** to the Directors' Report. The Annual Report for period is available on website of the Company http://www.shardamotor.com/investor-relations/notices-results/

PARTICULARS OF EMPLOYEES

The details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure IV**.

The statement containing details of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as **Annexure V**.

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 Section134(3)(m) of the Companies Act, 2013 read with Rule8(3) of the Companies (Accounts) Rules, 2014, are annexed here with marked as **Annexure VI** 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 VII** forming part of this report.

Further in pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions of the Company with the following Persons: (belonging to the promoter/promoter group holding 10% or more shareholding in the Company) of:

- Ajay Relan (Promoter/ Managing Director) holding 32.41 % of Equity Shares in the Company
- Ritu Relan (Member of Promoter Group) holding 12.49 % of Equity Shares in the Company

are prescribed in the Related Party Disclosures in Note No. 35 of Notes to Financial Statements for year ended March 31, 2019, forms part of this Annual Report.

CORPORATE GOVERNANCE

We strive to attain high standards of corporate governance while dealing with all our stakeholders and have complied with all the mandatory requirements relating to Corporate Governance as stipulated in Para C of Schedule V of Listing Regulation. The "Report on Corporate Governance" forms an integral part of this report and is set out as separate section to this annual report. A certificate from M/s. Gupta Vigg & Co., Chartered Accountants, the statutory auditors of the Company, certifying compliance with the conditions of corporate governance stipulated in Para E of Schedule V of Listing Regulations is annexed with the report on corporate governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Para B of Schedule V of the Listing Regulation, is presented in a separate section forming part of this Annual Report.

VIGIL MECHANISM

The Company has a vigil mechanism for directors and employees to report their genuine concerns. Vigil Mechanism / Whistle Blower policy is available on the Company's website www.shardamotor.com.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public covered under chapter V of the Companies Act, 2013 during the year under review and no amount was outstanding as on the date of Balance Sheet.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments, which affect the financial position of the Company, have occurred during the year and between the end of the financial year under review and the date of this report, whereas the company has shifted its entire operations of Automobile Business of Binola Unit located in Haryana to other units located in State of Haryana, since the customer has planned to shift its Manufacturing Facility to other state, therefore the operations of Air Conditioning Cabinet Business carried out at Binola Unit has been discontinued. Closure of Binola Unit does not materially affects financial position of the Company.

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.

In the matter of the petition vide. Company Petition "C.P. No.61 (ND)/2017" [Rohit Relan & Ors. Vs. Sharda Motor Industries Limited & Ors.] filed with Hon'ble National Company Law Tribunal, Delhi ('NCLT') under section 241, 242 of the Companies Act, 2013 by Mr. Rohit Relan & Others has also been disposed off by the Hon'ble NCLT vide its Order dated May 20, 2019, in line with the Memorandum of Family Settlement (MOFS), entered between Shri Ajay Relan, Shri Rohit Relan, Smt. Sharda Relan and other Relan family Members.

In view of the MOFS and disposing off the aforesaid Company Petition by Hon'ble NCLT the Company Appeals (AT) No. 332 & 378 of 2018, filed against the Interim Order dated September 20, 2018_of the Hon'ble NCLT in Company Petition (C.P. No. 61(ND)/2017) has been Disposed off by the Hon'ble National Company Law Appellate Tribunal (NCLAT) vide. its Order dated July 17, 2019. After disposal of the Company Appeal No.332 of 2018 by Hon'ble NCLAT vide its Order Dated 17th July, 2019 and in view of MOFS, the

result of resolution at items no. 4 of Notice of 33rd AGM for re-appointment as Director by rotation of Shri Bireshwar Mitra (DIN: 06958002) was declared and the Resolution at Item No. 3 of the Notice of said meeting for the re-appointment as Director by rotation of Shri Rohit Relan (DIN:00257572) being taken at 34th AGM as per the requirement of law.

In the matter of the Company Petition 'CP No. 242 (ND)/2017' [Sharda Motor Industries Ltd. V/s. M/s.Toyo Sharda India Pvt. Ltd. &. Ors] filed by the Company with the Hon'ble National Company Law Tribunal, Delhi ('NCLT') under section 241, 242 of the Companies Act, 2013 has been withdrawn by the Company in the view of MOFS and the Hon'ble NCLT has passed the final order on 7th August, 2019 in this regard.

Copies of all the above mentioned interim and final orders are available on the website of the Company www.shardamotor.com and also, on the websites of the National Stock Exchange of India Limited and BSE Limited.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, NDR Auto Components Limited was incorporated as Wholly Owned Subsidiary of the Company as Special Purpose Vehicle (SPV) wherein the entire Automobile Seating Business of the Company is to be Demerged as separate entity post the sanction/ approval of Scheme of Arrangement through Demerger by the requisite Authorities.

Financial performance for the FY 2018-19 of the Subsidiary, Associates and Joint Venture Companies are disclosed in the financial statements which forms part of this annual report. A statement in form AOC-1, containing the salient features of the financial statements of the subsidiary, joint ventures and associate companies is provided as **Annexure VIII**.

During the year under review, the Company has entered into a Joint Venture (JV) Agreement in February' 2019 with Eberspaecher Exhaust Technology International GmbH (EET) of Germany in ration of 50:50 for Business Development of BS VI Norms of Commercial Vehicle segment in India. This Joint Venture is expected to bring benefits to both the JV Partners i.e. the Company & EET. Pursuant to which, from April, 2019 onwards till the date of this reports, both the Joint Venture partners have equally invested in "Exhaust Technology Private Limited" to undertake the Business Activities.

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 dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The Company has put in place a 'Policy on redressal of Sexual Harassment at Work Place' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his / her complaint to the Redressal Committee / Internal Complaints Committee, constituted with duly compliance under the Sexual Harassment Act, for this purpose to their Manager or HR personnel. We affirm that adequate access has been provided to any complainant who wished to register a complaint under the policy, but no complaint was received / filed by any person during the year under review and no complaint is pending to be resolved as at the end of the year.

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 judgment sand 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, 2019 and of the profit and loss of the company for the year ended on that date;

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts have been prepared on a going concern basis;

(e) Internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this annual report.

SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

ACKNOWLEDGEMENT

Your Company has been able to operate efficiently because of the professionalism, creativity, integrity and continuous improvement in all functional areas to ensure efficient utilization of the Company's resources for sustainable and profitable growth. The Directors acknowledge their deep appreciation to employees at all levels for their total dedication, hard work, commitment and collective team work, which has enabled the Company to remain at the forefront of the industry despite increased competition and challenges.

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from its customers, your Directors also extend their appreciation to Bankers, Credit rating Agencies and various departments of Central and State Government(s).

Your Directors also would like to thank all the shareholders for their continued support & co-operation.

On behalf of the Board of Directors
For Sharda Motor Industries Limited

	Sharda Relan	Ajay Relan
Date : 12th August, 2019	Co-Chairperson	Managing Director
Place : New Delhi	(DIN:00252181)	(DIN:00257584)

ANNEXURE I

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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
CINL74899DL1986PLC023202
Registered Office Address: - D-188, Okhla Industrial Area Phase-I
New Delhi -110020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHARDA MOTOR INDUSTRIES LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2019 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, 2019 according to the provisions of: -

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **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, 2018- **Not Applicable**

(vi) The Company has identified following laws applicable specifically to the Company:

  1. The Industrial (Development and Regulations) Act, 1951;
  2. The Factories Act, 1948;
  3. Environment (Protection) Act, 1986;
  4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned State Rules;
  5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned State Rules;
  6. Hazardous Wastes (Management and Handling) Rules, 1989;

7. Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989;

We have also examined compliance with the applicable clauses / provisions of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited & National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above.

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes

We further report that there are adequate systems and process in the company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines etc. As informed by the Management:

1. In the matter of Company Petition "C.P. No.61(ND)/2017" filed against the Company & Others under Section under section 241, 242 of the Companies Act, 2013 by Mr. Rohit Relan & Others has been disposed off by the Hon'ble National Company Law Tribunal, Delhi ('NCLT') vide its Order dated May 20, 2019, in the view of Memorandum of Family Settlement (MOFS) dated 22nd February, 2019.

   In view of the MOFS and disposing off Company Petition by Hon'ble NCLT, the Hon'ble National Company Law Appellate Tribunal (NCLAT) vide. its Order dated July 17, 2019 has disposed off the Company Appeal(AT) No. 332 of 2018 filed by the Company against an Interim Order of the Hon'ble NCLT dated September 20, 2018 in Company Petition, which was relating to the result of two resolutions [at items no. 3 and 4] to re-appoint as Directors, Shri Rohit Relan (DIN: 00257572) and Shri Bireshwar Mitra (DIN: 06958002), whom were liable to retire by rotation and their Voting Result was put on hold and made subject to the final outcome of the Company Appeal.

   After the dismissal of the appeal, the Company has disseminated the result of remote e-voting and Ballots for item no: 4 relating to re-appointment of Shri Bireshwar Mitra (DIN: 06958002) as Director to Stock Exchanges on 20th July, 2019, and the re-appointment of Shri Rohit Relan shall be taken as per the requirement of law.

2. In respect to a petition which had been filed by the Company against the Toyo Sharda India Private Limited (TSIPL), with the Hon'ble National Company Law Tribunal, New Delhi (NCLT) under section 241, 242 read with section 244 of the Companies Act, 2013. The respondents have filed an Application before the Hon'ble NCLT mentioning that the parties have reached to the Memorandum of Family Settlement (MOFS) and the petition thereon shall be disposed off, in view of the MOFS. However the matter is sub-judice as such no further comments.

3. The Board of the Company has approved a Scheme of Arrangement through Demerger on April 5, 2019 between the Company and NDR Auto Components Limited (Wholly Owned Subsidiary)and their respective stakeholders under Section 230 to 232 of Companies Act, 2013 and any other applicable provisions as may be applicable, to demerge the Automobile Seating Business (including equity investments in Bharat Seats Limited, Toyota Boshoku Relan India Private Limited and Toyo Sharda India Private Limited) to NDR Auto Components Limited subject requisite approval(s) as on the appointed date i.e. December 31,2018,

4. The Company has entered into the Joint Venture (JV) Agreement in ratio of 50:50 with Eberspaecher Exhaust Technology International GmbH (EET) of Germany for Business Development of BS VI Norms in Commercial Vehicle segment in India.

5. The Company has shifted its entire operations of Automobile Business of Binola Unit located in Haryana to other units located in State of Haryana and the operations of Air Conditioning Cabinet Business carried out at Binola Unit has been discontinued since the Customer has planned to shift its Manufacturing Facility to other state.

FOR VKC & ASSOCIATES;
(Company Secretaries)

CS Mohit K Dixit
Partner
ACS No.49021
C P No.17827

Date: 02.08.2019
Place: New Delhi

Notes: - This report is to be read with our letter of even date which is annexed as '**Annexure- A'** and forms an integral part of this report.

'Annexure - A'

To

The Members,

SHARDA MOTOR INDUSTRIES LIMITED

CINL74899DL1986PLC023202

Registered Office Address: D-188, Okhla Industrial Area Phase-I

New Delhi -110020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. 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 VKC & ASSOCIATES;
(Company Secretaries)

CS Mohit K Dixit
Partner
ACS No. 49021
C P No. 17827

Date: 02.08.2019
Place: New Delhi

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the company's CSR policy, including over view 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, 2019:

   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. 7905.48 Lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3above):**

   Rs. 158.11 Lakhs

5. **Details of CSR spent during the financial year:**

   a) Total Amount to be spent for the financial year: Rs. 15.37 Lakhs

   b) Amount unspent: Rs. 142.74 Lakhs

   c) Manner in which the amount spent during the financial year is detailed below:

(Rupees in Lakhs)

1	2	3	4	5	6	7	8
Sr. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent. Direct or through implementing agency**
1	Sharda CSR Foundation Trust: Promoting Healthcare and Education	Distribution of School Bags and Stationary for Promotion of Education	Manufacturing Units of the Company located in the following several States of India: 1. Nashik and Chakan (Pune) in Maharashtra, 2. Haridwar in Uttarakhand 3. Sanand in Ahmedabad, Gujarat 4. SIPCOT in Chennai	12.62	12.62	12.62	Through Implementing agency
2	Sharda CSR Foundation Trust: Promoting Healthcare and Education	Donated Speech Hi-Fi device for Deaf and Dumb Student of Padsad Karnbadhir Vidhyalay for promotion of Education	Nashik in the State of Maharashtra	2.00	1.75	14.37	Through Implementing agency

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**
3	Sharda Motor Industries Limited in Promotion of Health Care	Donation to Rotary Club for convening Mini Marathon for Social Cause at Nasik in State of Maharashtra	Nashik in the State of Maharashtra	1.00	1.00	15.37	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.**

   During the financial year 2018-19, the Company has undertook various projects/programmes, as mentioned above for the benefit of the society at large. However certain planned projects of capital nature carrying large amount of expenditure could not be executed due to regulatory and technical hassle, which became the primere as on that the company could not spent the entire planned amount during the year. As decided earlier, the Company shall kept its focus in the area of healthcare and education with respect to CSR activities through blood donation camps, distribution of school bags and stationary among the Children's in Schools to drive them as motivation for Education drives and other general healthcare and medical facilities in various parts of the country through the development of infrastructure and sanitation in the low income government schools. Apart from these two core areas the Company has also spent in the area of eradicating poverty etc. CSR Committee of the Company has also recommended long term projects or programmes to be carried out in the coming years, which will impact the larger section of the society through sustainable means.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is incompliance 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 as set in the CSR policy of the Company.

Ajay Relan
Managing Director
(DIN:00257584)

Sharda Relan
Chairperson of CSR Committee
(DIN:00252181)

ANNEXURE III

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[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	80%
2	Car seats frame and seats cover	29303	18%
3	Others	-	2%
	Total		**100%**

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.:-1, Nelson Mandela Road, Vasant Kunj New Delhi 110070	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.:- 5th Floor, Caddie commercial Tower at Aerocity (DIAL) New Delhi 110037	U34100DL2015PTC276049	ASSOCIATE	50%	2(6)
5	NDR Auto Components Limited* Reg. off.:-D-188, Okhla Industrial Area Phase-I Delhi 110020	U29304DL2019PLC347460	Wholly Owned Subsidiary	100%	2(87)

*Company was incorporated on March 19, 2019

(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. 01.04.2018				No. of Shares held at the end of the year i.e 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
Individuals/ Hindu Undivided Family	43,39,555	0	43,39,555	72.98	43,52,579	0	43,52,579	73.20	0.22
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	NIL
Bodies Corporate	0	0	0	0	0	0	0	0	NIL
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	NIL
Sub Total(A)(1)	**43,39,555**	**0**	**43,39,555**	**72.98**	**43,52,579**	**0**	**43,52,579**	**73.20**	**0.22**
(2) Foreign									
Individuals (Non- Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	NIL
Bodies Corporate	0	0	0	0	0	0	0	0	NIL
Institutions	0	0	0	0	0	0	0	0	NIL
Any Others	0	0	0	0	0	0	0	0	NIL
Sub Total(A)(2)	0	0	0	0	0	0	0	0	NIL
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**43,39,555**	**0**	**43,39,555**	**72.98**	**43,52,579**	**0**	**43,52,579**	**73.20**	**0.22**
B. Public shareholding									
(1) Institutions									
Mutual Funds/ UTI	0	0	0	0	0	0	0	0	NIL
Financial Institutions / Banks	6,294	0	6,294	0.11	5496	0	5496	0.09	(0.02)
Central Government/ State Government(s)	4,900	0	4,900	0.08	7100	0	7100	0.11	0.03
Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
Insurance Companies	0	0	0	0	0	0	0	0	NIL
Foreign Institutional Investors/ Foreign Portfolio Investors	41,224	0	41,224	0.69	30742	0	30742	0.51	(0.18)
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	NIL
Sub-Total (B)(1)	**52,418**	**0**	**52,418**	**0.88**	**43338**	**0**	**43338**	**0.73**	**(0.15)**
(2) Non-institutions									
Bodies Corporate	3,02,105	1,850	3,03,955	5.11	2,77,969	1,850	2,79,819	4.71	(040)
Individuals									
Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	6,03,605	51556	6,55,161	11.02	5,19,228	62,700	5,81,928	9.79	(1.23)
Individual - ii Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	5,07,529	62,700	5,70,229	9.59	630928	28247	659175	11.09	1.50
Any Other									
NBFC	270	0	270	0.01	10	0	10	0.00	(0.00)
Clearing Members	3450	0	3450	0.05	1473	0	1473	0.02	(0.03)
NRI	21,288	0	21,288	0.36	28004	0	28004	0.47	(0.11)
Sub-Total (B)(2)	**14,38,247**	**116,106**	**15,54,353**	**26.14**	**1,45,612**	**92,797**	**15,50,409**	**26.08**	**(0.06)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**14,90,665**	**116,106**	**16,06,771**	**27.02**	**15,00,950**	**92,797**	**15,93,747**	**26.79**	**(0.22)**
TOTAL (A)+(B)	**58,30,220**	**1,16,106**	**59,46,326**	**100**	**58,53,529**	**92,797**	**59,46,326**	**100**	

IV. (ii) SHAREHOLDING OF PROMOTERS

S. N.	Name of the Promoter	Shareholding at the beginning of the year i.e. 01.04.2018			Shareholding at the end of the year i.e 31.03.2019			% 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	1914195	32.19	0	1927219	32.41	0	0.22
2	Ritu Relan	742520	12.49	0	742520	12.49	0	-
3	Mala Relan	520826	8.76	0	520826	8.76	0	-
4	Rohit Relan	428818	7.21	0	428818	7.21	0	-
5	Aashim Relan	304440	5.12	0	304440	5.12	0	-
6	Rishabh Relan	121433	2.04	0	121433	2.04	0	-
7	Pranav Relan	92265	1.55	0	92265	1.55	0	-
8	Ayush Relan	68421	1.15	0	68421	1.15	0	-
9	Rohit Relan (HUF)	44400	0.75	0	44400	0.75	0	-
10	Narinder Dev Relan (HUF)	30000	0.51	0	30000	0.51	0	-
11	Ajay Relan (HUF)	19200	0.32	0	19200	0.32	0	-
12	Ram Prakash Choudhary	600	0.01	0	600	0.01	0	-
13	Indira Choudhary	52437	0.88	0	52437	0.88	0	-
	TOTAL	**4339555**	**72.98**	**0**	**4352579**	**73.20**	**0**	**-**

IV (iii) CHANGE IN PROMOTERS' SHAREHOLDING

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018)/end of the year(31/03/2019)		Date wise increase, decrease in shareholding during the year specifying the reasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	Ajay Relan (HUF)	19200	0.32	1-Apr-18	-	No Transaction		
		19200	0.32	31-Mar-19			19200	0.32
2	Narinder Dev Relan (HUF)	30000	0.50	1-Apr-18	-	No Transaction		
		30000	0.50	31-Mar-19			30000	0.50
3	Rohit Relan (HUF)	44400	0.75	1-Apr-18	-	No Transaction		
		44400	0.75	31-Mar-19			44400	0.75
4	Rohit Relan	428818	7.21	1-Apr-18	-	No Transaction		
		428818	7.21	31-Mar-19			428818	7.21
5	Ritu Relan	742520	12.49	1-Apr-18	-	No Transaction		
		742520	12.49	31-Mar-19			742520	12.49
6	Ram Prakash Choudhary	600	0.01	1-Apr-18	-	No Transaction		
		600	0.01	31-Mar-19			600	0.01
7	Indira Choudhary	52437	0.88	1-Apr-18	-	No Transaction		
		52437	0.88	31-Mar-19			52437	0.88
8	Aashim Relan	304440	5.12	1-Apr-18	-	No Transaction		
		304440	5.12	31-Mar-19			304440	5.12
9	Mala Relan	520826	8.76	1-Apr-18	-	No Transaction		
		520826	8.76	31-Mar-19			520826	8.76
10	Pranav Relan	92265	1.55	1-Apr-18	-	No Transaction		
		92265	1.55	31-Mar-19			92265	

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018)/end of the year(31/03/2019)		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
11	Ayush Relan	68421	1.15	1-Apr-18	-	No Transaction		
		68421	1.15	31-Mar-19			68421	1.15
12	Rishabh Relan	121433	2.04	1-Apr-18	-	No Transaction		
		121433	2.04	31-Mar-19			121433	2.04
13	Ajay Relan	1914195	32.19	1-Apr-18				
				06-Jul-18	Increase	Purchase	1914413	32.19
				13-Jul-18	Increase	Purchase	1915546	32.21
				20-Jul-18	Increase	Purchase	1918298	32.26
				27-Jul-18	Increase	Purchase	1920297	32.29
				12-Oct-18	Increase	Purchase	1926549	32.40
				19-Oct-18	Increase	Purchase	1927219	32.41
		1927219	32.41	31-Mar-19			1927219	32.41

Note: Based on the data received from RTA, for the weekly beneficiary promoter holding.

IV (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs ANDADRs):

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
1	ANKITA CHANNA	50000	0.8408	01-Apr-18		No Transaction		
		50000	0.8408	31-Mar-19			50000	0.8408
2.	ASHISH THAREJA	27350	0.4599	01-Apr-18				
				27-Apr-2018	100	Purchase	27450	0.4616
				04-May-2018	90	Purchase	27540	0.4631
		27540	0.4631	31-Mar-19			27540	0.4631
3	BRAHAM ARENJA	60000	1.0090	01-Apr-18				
		60000	1.0090	31-Mar-19			60000	1.0090
4	NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED	45700	0.7685	01-Apr-18	-			
				13-Apr-18	50	Purchase	45750	0.7694
				04-May-18	3	Purchase	45753	0.7694
				01-Jun-18	33	Sale	45720	0.7689
				15-Jun-18	20	Sale	45700	0.7685
				22-Jun-18	20	Purchase	45720	0.7689
				27-Jul-18	17103	Purchase	62823	1.0565
				03-Aug-18	10	Sale	62813	1.0563
				10-Aug-18	5	Sale	62808	1.0562
				31-Aug-18	3	Sale	62805	1.0562
				21-Sep-18	3	Purchase	62808	1.0562
				12-Oct-18	37800	Sale	25008	0.4206

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
4	NIRMAL BANG FINANCIAL SERVICES PRIVATE LIMITED			26-Oct-18	1450	Purchase	26458	0.4449
				02-Nov-18	12920	Purchase	39378	0.6622
				09-Nov-18	2000	Purchase	41378	0.6959
				16-Nov-18	7080	Purchase	48458	0.8149
				14-Dec-18	670	Purchase	49128	0.8262
				28-Dec-18	800	Purchase	49928	0.8396
				11-Jan-19	24920	Sale	25008	0.4206
				25-Jan-19	6635	Purchase	31643	0.5321
				01-Feb-19	400	Purchase	32043	0.5389
				08-Feb-19	265	Purchase	32308	0.5433
				08-Mar-19	2055	Purchase	34363	0.5779
				15-Mar-19	15200	Purchase	49563	0.8335
		49563	0.8335	31-Mar-19			49563	0.8335
5	RAJIV TANDON	29000	0.4877	01-Apr-18		No Transaction		
		29000	0.4877	31-Mar-19			29000	0.4877
6.	RUNNER MARKETING PRIVATE LIMITED	28646	0.4817	01-Apr-18				
				27-Jul-18	17100	Sale	11546	0.1942
				03-Aug-18	654	Purchase	12200	0.2052
				12-Oct-18	37800	Purchase	50000	0.8409
				26-Oct-18	14350	Sale	35650	0.5995
				02-Nov-18	12920	Sale	22730	0.3823
				09-Nov-18	2000	Sale	20730	0.3486
				16-Nov-18	7080	Sale	13650	0.2296
				14-Dec-18	670	Sale	12980	0.2183
				11-Jan-19	24920	Purchase	37900	0.6374
				18-Jan-19	5773	Sale	32127	0.5403
				25-Jan-19	11238	Purchase	43365	0.7293
				01-Feb-19	400	Sale	42965	0.7225
				08-Feb-19	265	Sale	42700	0.7181
				08-Mar-19	2055	Sale	40645	0.6835
				15-Mar-19	15200	Sale	25445	0.4279
		25445	0.4279	31-Mar-19			25445	0.4279
7	USHA CHANNA	32262	0.5426	01-Apr-18		No Transaction		
		32262	0.5426	31-Mar-19			32262	0.5426
8	VANDANA CHANNA	56700	0.9535	01-Apr-18				
				01-Jun-18	200	Sale	56500	0.9502
				08-Jun-18	300	Purchase	56800	0.9552
				03-Aug-18	700	Sale	56100	0.9434
				28-Sep-18	300	Purchase	56400	0.9485
				12-Oct-18	350	Purchase	56750	0.9544
				02-Nov-18	270	Purchase	57020	0.9589

S. No.	Name of the Promoter	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reason	No. of shares	% of total share capital
				14-Dec-18	100	Purchase	57120	0.9606
				25-Jan-19	100	Purchase	57220	0.9623
				01-Feb-19	200	Purchase	57420	0.9656
				15-Feb-19	600	Purchase	58020	0.9757
				22-Feb-19	200	Purchase	58220	0.9791
				15-Mar-19	300	Sale	57920	0.9740
		58020	0.9757	31-Mar-19			58020	0.9757
9.	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD	70000	1.1772	01-Apr-18		No Transaction		
		70000	1.1772	31-Mar-19			70000	1.1772
10	VINOD KANTILAL SHAH	60000	1.0090	01-Apr-18				
				16-Nov-18	5000	Purchase	65000	1.0931
				01-Mar-19	5000	Sale	60000	1.0090
		60000	1.0090	31-Mar-19			60000	1.0090

Note: As per the data received from RTA according to date of beneficiary position

IV (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIALPERSONNEL:

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reasons	No. of shares	% of total share capital
1	Shri Kishan N Parikh	150	0.00	1-Apr-18		No Transaction		
		150	0.00	31-Mar-19			150	0.00
2	Shri Ajay Relan	1914195	32.19	1-Apr-18				
				06-Jul-18	218	Purchase	1914413	32.19
				13-Jul-18	1133	Purchase	1915546	32.21
				20-Jul-18	2752	Purchase	1918298	32.26
				27-Jul-18	1999	Purchase	1920297	32.29
				12-Oct-18	6252	Purchase	1926549	32.40
				19-Oct-18	670	Purchase	1927219	32.41
		1927219	32.41	31-Mar-19			1927219	32.41
3	Smt. Sharda Relan	-	-	1-Apr-18		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-19			-	-
4	Shri Rohit Relan	428818	7.21	1-Apr-18		No Transaction		
		428818	7.21	31-Mar-19			428818	7.21

S. No.	Name of the Director and KMP	Shareholding at the beginning of the year (01/04/2018) / end of the year (31/03/2019)		Date wise increase, decrease in shareholding during theyear specifying thereasons			Cumulative shareholding during the year	
		No. of shares	% of total share capital	Date	Increase/ Decrease	Reasons	No. of shares	% of total share capital
5	Shri Ram Parkash Choudhary	600	0.01	1-Apr-18		No Transaction		
		600	0.01	31-Mar-19			600	0.01
6	Shri Satinder Kumar Lambah	-	-	1-Apr-18		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-19			-	-
7	Prof. Ashok Kumar Bhattacharya	-	-	1-Apr-18		Nil Holding/ Movement during the year	-	-
		-	-	31-Mar-19			-	-
8	Shri Bireswar Mitra	600	0.01	1-Apr-18				
				12-Oct-18	100	Purchase	700	0.01
				22-Feb-19	75	Purchase	775	0.01
		775	0.01	31-Mar-18			775	0.01
9	Shri Vivek Bhatia	-	-	1-Apr-18		Nil holding / movement during the year		
		-	-	31-Mar-19				
10	Shri Nitin Vishnoi	1000	0.02	1-Apr-18		No Transaction		
		1000	0.02	31-Mar-19			1000	0.02

Note: As per the data received from RTA according to date of beneficiary position

I. INDEBTNESS

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	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**
Change in Indebtedness during the financial year*				
Addition	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
Net Change	**NIL**	**NIL**	**NIL**	**NIL**
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**

II. REMUNERATION OF DIRECTORS AND KEY MANAGERIALPERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Ajay Relan	Sharda Relan	Bireswar Mitra	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	540.00	446.00	19.80	**1005.80**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11.23	12.81	4.83	**28.87**
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit				
5	Others including provident Fund & reimbursements	28.80	29.52	1.58	**59.90**
	Total (A)	**580.03**	**488.33**	**26.21**	**1094.57**
	Ceiling as per the Act#				**1331.93**

 # Being 10% of Net profits of the Company calculated as per section 198 of the Companies Act, 2013.

B. **Remuneration to other directors:**

(Rs. inLakhs)

S. No.	Particulars of Remuneration	Name Of Directors						Total Amount
		Rohit Relan	R.P. Choudhary	S.K. Lambah	Kishan Nagin Parikh	Ashok K. Bhattacharya	Udayan Banerjee	
1.	**Independent Directors**							
	- Fee for attending board committee meetings	-	-	5.20	4.40	3.20	**1.00**	**13.80**
	· Commission							
	· Others, pleasespecify							
	Total (1)			**5.20**	**4.40**	**3.20**	**1.00**	**13.80**
2.	**Other Non-Executive Directors**							
	· Fee for attending board committee meetings	1.60	2.80	-	-	-		**4.40**
	· Commission							
	· Others, pleasespecify							
	Total (2)	**1.60**	**2.80**	-	-	-		**4.40**
	Total (B)=(1+2)	**1.60**	**2.80**	**5.20**	**4.40**	**3.20**	**1.00**	**18.20**
	Total Managerial Remuneration (A)+(B)							**1,112.77**
	Overall Ceiling as per the Act	Being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013						**1,465.13**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHERTHANMD/MANAGER/WTD (Rs. inLakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
		Vivek Bhatia	Nitin Vishnoi	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	104.84	25.33	**130.17**
	(b) Value of perquisites u/s 17(2) Income- tax Act,1961	0.40	-	**0.40**
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	**-**
2	Stock Option	-	- -	**-**
3	Sweat Equity	-	- -	**-**
4	Commission - as % of profit	-	-	**-**
	- Others, specify	-	- -	**-**
5	Others including Provident Fund & reimbursements	12.03	12.30	**24.33**
	Total (A)	**117.27**	**37.63**	**154.90**
	Ceiling as per the Act	N.A.	N.A.	N.A.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OFOFFENCES:

There were no penalties / punishments / compounding of offences for the year ending 31st March, 2019.

On behalf of the Board of Directors
For Sharda Motor Industries Limited

Sharda Relan
Co-Chairperson
(DIN:00252181)

Ajay Relan
Managing Director
(DIN:00257584)

Date : 12th August, 2019
Place : New Delhi

ANNEXURE IV

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014:

Requirements of Rule 5(1)		Details
(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;		(i) Shri Kishan N Parikh -NA (ii) Shri Ajay Relan –1:132.12% (iii) Smt. Sharda Relan –1:111.16% (iv) Shri Rohit Relan –NA (v) Shri R. P. Choudhary -NA (vi) Shri Satinder KumarLambah-NA (vii) Prof. A. K. Bhattacharya –NA (viii) Shri Bireswar Mitra –1:5.92% (ix) Shri Udayan Banerjee –NA
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;		Directors : (i) Shri Kishan N Parikh -NA (ii) Shri Ajay Relan –14.60% (iii) Smt. Sharda Relan –5.40% (iv) Shri Rohit Relan – NA (v) Shri R. P. Choudhary – NA (vi) Shri Satinder Kumar Lambah-NA (vii) Prof. A. K. Bhattacharya – NA (viii) Shri Bireswar Mitra –14.40% (ix) Shri Udayan Banerjee –NA Key Managerial Personnel (i) Shri Vivek Bhatia, CFO –8.8% (ii) Shri Nitin Vishinoi, Company Secretary –43.90%
(iii) the percentage increase in the median remuneration of employees in the financial year;		14.60%
(iv) the number of permanent employees on the rolls of company;		1241 employees as on 31st March, 2019
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;		Average increase in remuneration of non-managerial personnel is 11.39% against which the increase in average salary of managerial personnel is 10.31%, which is in the same range and does not need any justification.
(vi) affirmation that the remuneration is as per the remuneration policy of the company		Remuneration paid during the year ended 31st March, 2019 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 2017-18 and have excluded the employees not eligible for increment.

ANNEXURE V

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,2019:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age As on 31.03.19	Last employment held
Ajay Relan	Managing Director	580.03	B.Com (Hons.) OPM From,Harvard Business School USA 35 years	01-09-1986	57 years	N.A.
Sharda Relan	Co-Chairperson	488.33	Graduate 52 years	10.08.2016	84 years	N.A.
Aashim Relan	Chief Operating Officer (COO)	147.03	Graduate in Economics major from "Emory University, Atlanta (U.S.A) 7 years	28.06.2012	29 years	N.A.
Vivek Bhatia	President & CFO	116.33	Chartered Accountant & Company Secretary 28 years	01.07.2016	51 years	Jamna Auto Limited
SH Lee	CEO - MWC Plant	80.76	Mechanical Engg. 33 years	07.10.2010	54 years	LG Metals
Sanjiv Kumar Yogi	President - Purchase & SCM	81.31	MBA, M.Tech. 24 years	14.08.2015	46 years	India Yamaha Motor Pvt. Ltd.
Abinash Upadhyay	Chief Peoples Officer	73.92	Post Graduate Diploma in PM 26 years	21.03.2016	51 years	Apollo Tyre Ltd.
Sitangshu Goswami	President Sales & Strategy	73.92	DME 32 years	03.02.2016	53 years	Magna Steyr
Atul Sheth	COO-Western Region	58.14	Post Graduate Diploma in Automobile Engg. 35 years	15.04.2013	57 years	Lear Corporation
K. K. Sharma	President	45.19	B.Com 27 Years	14.06.1993	48 years	N.A.

Employed for part of the year ended 31st March, 2019:

Name	Designation	Remuneration received (Rs. In Lakhs)	Qualification & Experience	Date of commencement of employment	Age As on 31.03.19	Last employment held
Craig Llewelyn Jones	Director – Technical	82.20	Diploma in Welding 24 years	25-07-2018	43 years	WeldTech Solutions
Jan Friedrich Brand	Director – R&D	114.65	Ph.D 27 years	16-07-2018	50 years	Tenneco

Notes:

1. The term 'remuneration' has the meaning assigned to it under the Companies Act,2013.
2. The nature of employment of Shri Ajay Relan, Shri S H 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 son's of Smt. Sharda Relan. Shri Aashim Relan is the son of Shri Ajay Relan.
4. Except Shri Ajay Relan and Shri Aashim Relan, who are holding 32.73% and 5.12% equity shares of the Company respectively, none of the above employees holds more than 2% of the equity share capital of the Company as on 31st March, 2019 as per Rule 5(3)(viii) of the Companies (Appointment and Remuneration) Rules, 2014.

ANNEXURE VI

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 OFENERGY:

(i) The steps taken by the company for conservation of energy or impact on conservation of energy

Our country is going through the most degraded phase in terms of pollution in all forms either it is air, water or soil pollution. In this way, energy conservation offers a practical approach to achieve the development goals. A socially responsible organisation always keeps track of its operations being environmentally efficient. Your company always strives to achieve the highest standards of energy conservation by its continuous efforts in the area of alternate source of energy and efficient use of existing ones. Energy saving initiatives through the organisation in all the plants has helped the Company to reduce its cost of energy. Some of the key initiatives carried out during the year towards conservation of energy are mentioned hereunder:

- Conventional bulbs/lights have been replaced with LED lights in all the plants.
- Protoshop Timer shave been installed to cut the idle running of the machines.
- Air Conservation system for Air Compressor.
- Auto stop timer for shop floor machines, exhaust fans, welding machines.
- Installation of Solar Norikool Advance Day Light System in Nasik Plant.
- Portable compressor provided for WCC cleaning purpose in place of high capacity compressor in Chennai plant.
- 2 Hydraulic Pump (10 KW) eliminated by combining the hydraulic pump & operation in Chakan plant
- Compressed Air Leakage reduced in plants.
- Heavy duty roof top exhaust fan idle time run has eliminated by providing timer.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Clean and renewable energy sources are the need of the time. Fossil fuels are non-renewable and causing a great damage to the environment. We have to find more efficient and feasible source of energy for our rapidly increasing demand of energy without harming the environment. Your company has taken steps towards solar and wind energy in its plants.

- Solar Power plant have been initiated in the Nasik and Chakan plant.
- Company is using Wind Power as its major power source in Chennai Plant.

(iii) The capital investment on energy conservation equipments:

Company has not made any substantial capital investment during the year.

B. TECHNOLOGICAL ABSORPTION:

(i) The efforts made towards technology absorption;

- Improved performance of exhaust system;
- BS VI Advanced technology orientation through workshop and internship programmes
- Managing extended enterprises for quality supply for better warranty Management Emphasis on absorption of design and manufacturing technology such as controlled canning, micro mig welding;Expansion and modernization programme such robo welding uniform across plants.;

(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, introduction of mixing devise for UI improvement;

- Improving fuel economy and consequent reduction in CO2 through low back pressure;
- Improvement in core competencies and standardization and correlation;
- 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. 319.97 Lakhs
- Revenue Expenditure – Rs. 2328.55 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual in flows during the year and the foreign exchange out go 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 2018-19.

ANNEXURE VII

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 2019, 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	Up to a maximum of Rs. 600 crores (actual amount of transaction Rs.245.11 crore) per annum for sale, purchase or supply of goods, materials and Rs. 150 crores (actual amount of transaction Rs. 0.58 crore) per annum for selling or otherwise disposing off or buying property of any kind and tools/ job charges.	Surplus funds invested through Relan Industrial Finance Limited shall be subject to a maximum limit of Rs. 50 Crores per transaction, However remaining outstanding amount at any point of time shall not exceed Rs. 300 Crores during any financial year.
Date(s) of approval by the Board, if any	Since the transaction entered into ,is in the ordinary course of business and on arm's length basis, there is no requirement of Board's approval, However, the Company ensured the Board approval on 12th February,2018 as per SEBI (LODR) Regulations, 2015.	Since the transaction entered in to ,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 12th February, 2018 as per SEBI (LODR) Regulations, 2015.
Amount paid as advances, if any:	Nil	Nil

On behalf of the Board of Directors
For Sharda Motor Industries Limited

	Sharda Relan	Ajay Relan
Date : 12th August, 2019	Co-Chairperson	Managing Director
Place : New Delhi	(DIN:00252181)	(DIN:00257584)

Annexure – VIII

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

Sl No.	1
Name of the Subsidiary	**NDR AUTO COMPONENTS LIMITED**
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No.
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	In Rupees
Share capital	Rs. 1,00,000/-
Reserves & surplus	(Rs. 76,791/-)
Total assets	Rs.1,00,000/-
Total Liabilities	Rs. 1,00,000/-
Investments	-
Turnover	-
Profit before taxation	(Rs.76,791)
Provision for taxation	-
Profit after taxation	(Rs.76,791)
Proposed Dividend	-
% of shareholding	100%

* NDR Auto Components Limited was incorporated on 19/03/2019 and first financial period is 19/03/2019 to 31/03/2020.

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, 2019	31st March, 2018	31st March, 2018	31st March, 2018
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	2996.66	371.15	(8.89)	394.04
7.	Profit/Loss for the year				
	i. Considered in Consolidation	618.59	60.33	(0.24)	100.24
	ii. Not Considered in Consolidation	1539.79	67.70	(0.24)	100.24

* Based on the Unaudited Financial Statement as provided by the Company.

Notes

1. There are no associates or joint ventures which are yet to commence operations.
2. None of the associates or joint ventures have been liquidated or sold during the year.

For and on Behalf of Board of Directors
of Sharda Motor Industries Limited

Kishan N Parikh
Chairperson
DIN:00453209

Sharda Relan
Co-Chairperson
DIN:00252181

Ajay Relan
Managing Director
DIN:00257584

Vivek Bhatia
President & CFO
M. No. 89846

Nitin Vishnoi
Company Secretary
M. No. F3632

Date : 12th August, 2019
Place : New Delhi

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

In line with the requirements of Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), your directors are pleased to present the Company's annual report on Corporate Governance for the year ended 31st March, 2019, in the prescribed format and forming part of the Board Report:

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Sharda Motor Industries Limited (SMIL) is committed to doing business in an efficient, responsible, honest and ethical manner. This commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all our stakeholders, in particular, shareholders, employees and our customers in a balanced manner.

SMIL philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices most of which were in place even before they were mandated. The Company has documented internal governance policies and has put in place a formalized system of Corporate Governance which sets out the structure, processes and practices of governance within the Company.

The Company emphasizes the need for full transparency and accountability in all its transactions in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

SMIL is respected for its professional management and good business practices in the Indian Corporate World. Integrity, emphasis on product quality and transparency in its dealings with all stakeholders are its core values.

2. BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields. As on 31st March, 2019, the Board of Directors of the Company consist nine directors, chaired by Shri Kishan N. Parikh, Non-Executive Independent Director. The composition of the Board is in conformity with Listing Regulations. All Non-Executive Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

The Board met Six (6) times during the financial year 2018-19 on 26th May, 2018, 03rd August, 2018, 12th November, 2018, 13th February, 2019, 25th February, 2019 and 08th March, 2019. The maximum gap between any two meetings did not exceed 120 days.

In addition to the above, during the year under review a separate meeting of Independent Directors was held on 13th February, 2019 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, 2019 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 27th September, 2018	Directorship of other public companies*		Name& Category of Directorship held in the Listed Entities including this Listed Entity	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	6	6	YES	1	3	1. Pebco Motors Ltd. (Managing Director) 2. Sharda Motor Industries Limited (Non-Executive Independent Director) 3. Bharat Seats Limited^ (Non-Executive Independent Director)	0	2	150
2.	Shri Satinder Kumar Lambah $ (07425155) (Director)	Independent/ Non- executive Director	6	6	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL
3.	Prof. Ashok Kumar Bhattacharya (02804551) (Director)	Independent/ Non- executive Director	6	6	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL

4.	Shri Ajay Relan (00257584) (Managing Director & CEO)	Promoter / Executive Director	6	6	YES	0	3	1. Bharat Seats Limited (Non-Executive Non-Independent Director) 2. Sharda Motor Industries Limited(Managing Director)	0	0	1927219
5.	Smt. Sharda Relan (00252181) (Director)	Promoter / Executive Director	6	6	YES	1	3	1. Bharat Seats Limited (Non-Executive Non-Independent Director) 2. Sharda Motor Industries Limited (Executive Director)	0	0	NIL
6.	Shri Rohit Relan (00257572) (Director)	Promoter /Non-Independent/ Non- executive Director	6	4	NO	1	2	1. Bharat Seats Limited (Managing Director) 2. Sharda Motor Industries Limited (Non-Executive Non-Independent Director)	0	0	4,28,818
7.	Shri Ram Prakash Choudhary @ (00337775) (Director)	Non-Independent/ Non- executive Director	6	5	YES	0	0	1. Sharda Motor Industries Limited (Non-Executive Non-Independent Director)	0	0	600
8.	Shri Bireswar Mitra (06958002) (Director)	Non-Independent/ executive Director	6	2	YES	0	0	1. Sharda Motor Industries Limited (Executive Director)	0	0	775
9.	Shri Udayan Banerjee ## (DIN: 0339754), (Additional Director)	Independent/ Non- executive Director	2	2	-	0	0	1. Sharda Motor Industries Limited (Non-Executive Independent Director)	0	0	NIL

^ Ceased to be Director of the Company w.e.f April 1, 2019.

Note: Shri Ajay Relan and Shri Rohit Relan are son's of Smt. Sharda Relan. Shri R.P. Choudhary 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.*

@ Shri Ram Prakash Choudhary has tendered his resignation from Directorship of the Company w.e.ffrom the closing of Business hours of 31st March, 2019

 # Represents Chairpersonship/ Membership of Audit Committee & Stakeholders' Relationship Committee

Shri Udayan Banerjee, appointed as Additional Director on the Board of the Company w.e.f. 13th February, 2019 subject to approval of the member in this Annual General Meeting, he is further appointed as Non- executive Independent Director of the Company.

$ In Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations, the Shareholders of the Company by means of Voting through Postal Ballot on March 26, 2019, has approved the continuation of Shri Satinder Kumar Lambah as Non-Executive Independent Director of the Company for his present tenure till February 4, 2021.

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 in compliance with various eligibility criteria laid down by the applicable laws among other things and not debarred from holding the office of Director by virtue of any SEBI order or any other such authority. 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'.

FOLLOWING IS THE LIST OF CORE SKILLS/ EXPERTISE/ COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF THE COMPANY'S BUSINESS(S) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY AND THOSE ACTUALLY AVAILABLE WITH THE BOARD :

a) **Financial:** Proficiency in understanding financial reporting, making capital allocation decisions, challenging and help optimise complex financial transactions, help ensure long-term financial health of the company.

b) **Strategic and Planning:** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

c) **Global Business:** Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.

d) **Governance:** Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

e) **Leadership:** Leadership experiences for setting goals and with understanding of leading change, practical management of people, products, strategy and industry networking.

f) **Innovation & Technology:** Technical / Professional Skills with specialized knowledge to assist the ongoing aspects of the business and to adapt with the continuous rapid changes in technology and customer behaviour, the company needs to be constantly striving for new products /services to be introduced into markets. The ability for innovation and demonstrating a culture of entrepreneurship is necessary.

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 presently comprise Four (4) Non-Executive/ Independent Directors and one Executive Director of the Company. All the Five 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. (v) review of internal control systems and accounting policies followed by the Company(vi) review of the financial statements with the management before their submission to the Board for approval etc. In addition to the above, 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 27th September, 2018 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, 2019, the Audit Committee meetings were held on 26th May, 2018, 03rd August, 2018, 12th November, 2018, 13th February, 2018 and 8th March, 2019.

The Composition and attendance of Members at the meeting held during the financial year 2018-19 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri Kishan N Parikh	Independent & Non- Executive	Chairperson	5	5
Smt. Sharda Relan	Non-Independent & Executive	Member	5	5
Shri Satinder Kumar Lambah	Independent & Non-Executive	Member	5	5
Prof. Ashok Kumar Bhattacharya*	Independent & Non- Executive	Member	1	1
Shri Udayan Banerjee*	Independent & Non- Executive	Member	1	1

* Appointed as a member of the Committee w.e.f. 13th February, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee comprises of five 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 were held on 26th May, 2018, 3rd August, 2018 and 13th February, 2019.

The Composition and attendance of Members at the meeting held during the financial year 2018-19 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	2
Shri R. P. Choudhary**	Non-Independent, Non- Executive	Member	3	2
Shri Udayan Banerjee*	Independent, Non-Executive	Member	None	-

*Appointed as a member of the Committee w.e.f. 13th February, 2019.

** Shri Ram Prakash Choudhary has tendered his resignation from Directorship of the Company w.e.f the closing of Business hours from 31st March, 2019, accordingly he shall cease to be the Member of the Committee.

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), subject to the approval of the Shareholders of the Company at the General Meeting,

The Non-Executive Directors are paid sitting fees and commission in certain cases in accordance with the provisions of Companies Act, 2013, criteria for making the payment to Non-Executive Directors is disclosed in the Remuneration policy.

Remuneration paid to the Directors for the year is given below:

EXECUTIVE DIRECTORS (Rs. in Lakhs)

Name of Director	Salary	Perks	Performance Incentive	Total
Smt Sharda Relan	246.00	42.33	200.00	**488.33**
Shri Ajay Relan	240.00	40.03	300.00	**580.03**
Shri Bireswar Mitra	19.80	6.41	Nil	**26.21**
Total	**505.80**	**88.77**	**500.00**	**1094.57**

NON-EXECUTIVE DIRECTOR (Rs. in Lakhs)

Name of Director	Sitting fee
Shri Kishan N Parikh	4.40
Shri Satinder Kumar Lambah	5.20
Prof. Ashok Kumar Bhattacharya	3.20
Shri Ram Prakash Choudhary*	2.80
Shri Rohit Relan	1.60
Shri Udayan Banerjee **	1.00
TOTAL	**18.20**

**Appointed as Director of the Company w.e.f. 13th February, 2019.

* Shri Ram Prakash Choudhary has tendered his resignation from Directorship of the Company w.e.f from the closing of Business hours from 31st March, 2019.

Notes:

1. The tenure of executive directors of the Company is 5 years from the date of their re-appointment at current designation;
2. At present the Company does not have any Employee Stock Option Scheme;
3. Notice period is three calendar months or lesser notice in writing as may be agreed mutually;
4. There is no separate provision for payment of severance fee under there solutions 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 2018-19 on 26th May, 2018, 03rd August, 2018, 12th November, 2018 and 13th February, 2019. 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 27th August, 2018.

The terms of reference of Stakeholders Relationship Committee inter-alia deals with various matters relating to:-

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- to consider and approve demat / remat of shares / split / consolidation / sub-division of share / debenture certificates;
- to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc;
- to oversee and review all matters connected with the transfer of the Company's securities;
- to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

The composition of the Committee and their attendance at the Committee meeting held during the year ended 31st March, 2019 are tabulated hereunder:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Shri R. P. Choudhary*	Non-Independent, Non-Executive	Chairperson	4	2
Smt. Sharda Relan	Executive	Member	4	4
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	4	4

* Shri Ram Prakash Choudhary has tendered his resignation from Directorship of the Company from the closing of Business hours of 31st March, 2019, consequent to which he cease to be the Chairperson and member of the Committee.

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, 2019, status of investor grievance is tabulated hereunder:

PARTICULAR		Numbers
Complaint pending as on 1st April, 2018	:	NIL
Complaints received during the financial year 2018-19	:	None
Complaints disposed off up to the satisfaction of shareholder during the financial year 2018-19	:	Not Applicable
Complaints pending as on 31st March, 2019	:	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 are pending as on 31st March, 2019.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Corporate Social Responsibility Committee of the Company consists off our directors having two non-executive independent and two executive directors. The Company Secretary acts as the Secretary of the Committee. Terms of reference of the Committee are in line with the Companies Act, 2013.

During the Financial Year 2018-19, CSR Committee Meeting was held on 13th February, 2019. The Composition of the Committee along with the attendance of its Members are as under:

Name	Category	Position	Number of meetings held during his/ her tenure	Number of meetings attended
Smt. Sharda Relan	Executive	Chairperson	1	None
Shri Kishan N Parikh	Independent, Non-Executive	Member	1	1
Shri Ajay Relan	Executive	Member	1	1
Shri Satinder Kumar Lambah	Independent, Non-Executive	Member	1	1

The Corporate Social Responsibility Report for the year ended 31st March, 2019 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
33	2017-18	PHD Chamber of Commerce, New Delhi	27.09.2018	12:00 noon	None
32	2016-17	PHD Chamber of Commerce, New Delhi	30.08.2017	12:00 noon	None
31	2015-16	PHD Chamber of Commerce, New Delhi	07.09.2016	11:30 am	Two

B. Extraordinary General Meetings

No Extraordinary General Meetings was held during the year under review.

C. Resolutions Passed through Postal Ballot, during the year under review

In Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations, the Company had sought the approval of the shareholders by way of a Special Resolution passed through notice of Postal Ballot dated 13th February, 2019 for taking approval of the members of the company for continuation of Directorship of Sh. Satinder Kumar Lambah (DIN: 07425155) as Independent Director from April 1, 2019 for the remaining period of his present Tenure, i.e. till 4th February, 2021. The Resolution was duly passed through Postal Ballot and the results of which were announced on 26th March, 2019.

Voting Pattern and Procedure for Postal Ballot

1. The Company had sent the Postal Ballot Notice dated 13th February, 2019 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode, whose names appear in the register of members as on 15th February, 2019.
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 24th March, 2019 (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 February, 2019 (9:00 AM IST) to 24th March, 2019 (05:00 PM IST).
3. Sh. Vineet K Chaudhary (Company Secretary in whole time practice, bearing Membership No. F 5327 & C. P. No. 4548), Managing Partner or failing of him Sh. Mohit K Dixit (Company Secretary in whole time practice, bearing Membership No. ACS 49021 & C.P. No. 17827), Partner of M/s. VKC & Associates, New Delhi, was appointed as the Scrutinizer for conducting the Postal Ballot / E-Voting process in a fair and transparent manner.
4. After proper scrutiny of the postal ballot forms/e-voting received upto 24th March, 2019 (05:00 PM IST), scrutinizer submitted his final report on 25th March, 2019.
5. The result of the Postal Ballot / e-voting was declared on 26th March, 2019.
6. The result of the postal ballot / e-voting 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.	%
Approval for continuation of Directorship of Sh. Satinder Kumar Lambah (DIN: 07425155) as Non- Executive Independent Director from April 1, 2019 for the remaining period of present Tenure, i.e. till February 4, 2021.	4600962	4598319	99.94	2643	0.06

8. DISCLOSURES

a) **Related Party Transactions:** The material financial and commercial transactions where they and / or their relatives have personal interest. The particulars of transactions between the Company and its related parties as per the Ind AS 24, "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statements in the Annual Report. Further in pursuant to the Amendment in SEBI Listing Regulations 2018, the transactions of the Company with the following Persons: (belonging to the promoter / promoter group holding 10% or more shares in the Company) of :

- Ajay Relan (Promoter / Managing Director) holding 32.41% of Equity Shares in the Company
- Ritu Relan (Member of Promoter Group) holding 12.49 % of Equity Shares in the Company

are prescribed in the Related Party Disclosures forming part in the Note 35 of Notes to Financial Statements.

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) Board has considered and accepted all the recommendations of the Committees of the Company.

c) During the year under review, No independent Director has resigned from the Directorship of the Company.

d) During the year under review, No funds by way of Preferential Allotment or by way of Qualified Institutional Placement was raised.

e) Shri Rohit Relan, Directors shall retire by rotation and being eligible and offered themselves for re-appointment at the ensuing Annual General Meeting of the Company.

f) The above re-appointment is subject to the approval of members of the Company in the ensuing Annual General Meeting (AGM). A brief resume along with information required as per applicable laws of the above Director recommended for re-appointment at the AGM are furnished in the Notice of the Annual General Meeting of the Company.

g) 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.

h) 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.

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.

The Commodity price risk and Commodity hedging activities The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no Disclosure to offer in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018.

a) 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:

b) The Company has appointed separate persons to the post of Chairperson and Managing Director/CEO.

c) The Company is in the regime of unqualified financial statements.

d) 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 ("Insider Trading Regulation") All Directors and designated employees who could have access to the unpublished price sensitive information are required to follow this code.

The SEBI has amended the Insider Trading Regulation vide. SEBI (Prohibition Of Insider Trading) (Amendment) Regulations, 2018 that are effective from April 1, 2019, considering which the Company has also adopted the revised code for conduct for "Prevention of Insider Trading and Fair Disclosure".

e) 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.

f) 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. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

A Certificate in Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) confirming the Non-Disqualification of Directors obtained from Ms. Jaya Yadav, Practising Company Secretary (C.P. No.: 12070) has been enclosed as **Annexure - IX** to this Report.

10. CONFIRMATION OF INDEPENDENT DIRECTORS

The Company do hereby confirm that all the Independent Directors of the Company fulfills the conditions specified in the SEBI Listing Regulations and are Independent of the Management of the Company.

11. CREDIT RATINGS

The Credit Ratings of the Company by CRISIL's rating based on the Long Term Bank facilities of Sharda Motor Industries Limited (SMIL) is at 'CRISIL AA-/ Stable', The review of CRISIL's ratings confirms that the Ratings of Sharda Motor Industries Limited remains unaffected in view of Joint Venture, Family Settlement and Demerger of Seating Business of the Company. Further there are no debt instruments or any fixed deposit or any scheme or proposal for mobilization of funds are issued / proposed by the Company. Further the Credit Ratings of the Company given by Dun & Brad street remains "5A1".

12. TOTAL FEES PAID FOR ALL SERVICES TO THE STATUTORY AUDITORS FOR ALL SUBSIDIARIES ON A CONSOLIDATED BASIS TO THE STATUTORY AUDITOR AND FOR ALL ENTITIES IN FIRM/NETWORK ENTITY

M/s. Gupta Vigg & Co., Chartered Accountants, Statutory Auditors of Sharda Motor Industries Limited (the Company) are also the Statutory Auditors of the NDR Auto Components Limited, the Wholly Owned Subsidiary of the Company and the Consolidated Audit Fees paid by the Company to M/s. Gupta Vigg& Co., Chartered Accountants, Statutory Auditors during the FY 2018-19 are as:

S. No.	Particular of Expenses	Amount (in Rs.)	Total Amount (in Rs.)
Total Fees Paid by the Company for all the Services rendered by the Statutory Auditors			
1.	Audit Fees for FY 2018-19		850,000
2.	Fees for Issuance of Certificates related to Demerger (other capacity) Out of Pocket Expenses incurred for the same	300,000/- 26,349/-	326,349
Total Fees Paid by NDR Auto Components Limited (the Wholly Owned Company) for all Services to Statutory Auditors			
1.	Audit Fees for FY 2018-19		50,000
Total			**12,26,349**

13. DISCLOSURES WITH RESPECT TO THE COMPLAINT FOR SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company do hereby submit the following with respect to the Complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

a. number of complaints filed during the financial year - NIL

b. number of complaints disposed of during the financial year - NIL

c. number of complaints pending as on end of the financial year - NIL

14. MEANS OF COMMUNICATION

The un-audited quarterly/ half yearly financial results and audited annual financial results were announced within the stipulated time under Listing Regulations. The aforesaid financial results was reviewed by the Audit Committee and was taken on record by the Board of Directors and the same was also communicated to the concerned Stock Exchanges within the stipulated time and in the prescribed manner, in compliance with the requirement of the SEBI Listing Regulations.

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.

15. GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting to be held:

Day : Friday

Date : 27th September, 2019

Time : 12:00 Noon

Venue : PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India

Financial Year : 1st April to 31st March

Date of Book Closure:21st September, 2019 to 26th September, 2019 (Both days inclusive)

Dividend Payment: No dividend was paid during the financial year.

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 2019-20 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-18	2010.00	1877.35	2020.00	1848.10
May-18	2305.95	1760.00	2314.00	1743.05
Jun-18	2190.00	1791.00	2181.00	1840.00
Jul-18	2300.00	1820.00	2300.00	1790.00
Aug-18	2343.95	1910.05	2340.00	1905.00
Sep-18	2020.00	1625.00	2020.00	1426.00
Oct-18	1696.95	1425.00	1695.55	1428.35
Nov-18	1652.00	1470.00	1647.75	1461.10
Dec-18	1588.00	1456.65	1598.00	1441.00
Jan-19	1509.85	1205.00	1517.75	1271.40
Feb-19	1639.00	1155.00	1631.20	1138.55
Mar-19	1665.40	1457.00	1661.00	1420.00

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. were duly processed and dispatched within the stipulated time period. As in the past, the Company has sent intimation to the shareholders whose dividend warrants have not been en-cashed. Shareholders are requested to revert to the Company if they have not received/ en-cashed their dividend warrants. The details of dividends which are proposed to be transferred to the Investor Education and Protection Fund in respect of unclaimed/unpaid dividend for the earlier years are provided in the Notes to the Notice calling the Annual General Meeting.

The shareholders are requested to ensure that any correspondence for change of address should be signed by the first named shareholder. The Company is now also requesting for supporting documents such as proof of residence, proof of identification whenever a letter requesting for change of address is received. This is being done in the interest of the shareholders. Shareholders are requested to kindly co-operate and submit the necessary documents/evidence while sending the letters for change of address.

SHAREHOLDING

Distribution of shareholding as on 31st March, 2019

Category (No. of shares)	No. of shareholders	% of shareholders	No. of Shares	% of equity shares
1 to 100	7895	87.761	165233	2.779
101 to 500	790	8.782	183799	3.091
501 to 1000	115	1.278	85167	1.432
1001 to 5000	134	1.49	288206	4.847
5001 to 10000	17	0.189	120864	2.033
10001 to 20000	21	0.233	297164	4.997
20001 to 30000	8	0.089	213206	3.586
30001 to 40000	1	0.011	31014	0.522
40001 to 50000	3	0.033	143963	2.421
50001 to 100000	6	0.067	395387	6.649
100001 to 500000	3	0.033	841758	14.156
500001 to ABOVE	3	0.033	3180565	53.488
Total	**8996**	**100.00**	**5946326**	100.000

Shareholding Pattern as on 31st March, 2019

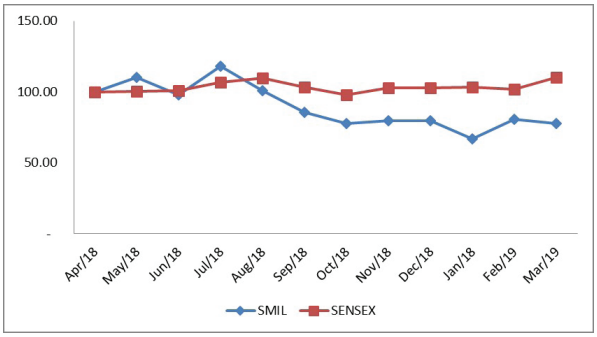
Category Code	Category	Total No. of shares	% of total no. of shares
(A)	**Promoters and Promoter Group**		
(i)	Resident Individual	43,52,579	73.20%
(B)	**Public Shareholding**		
	Foreign Portfolio Investors	30,742	0.52%
	Financial Institutions/ Banks	5,496	0.09%
	Central/ State Governments	7,100	0.12%
	Corporate Bodies	2,79,819	4.71%
	Resident Individuals/ HUF	12,00,814	20.19%
	NBFCs	10	0.00%
	Clearing Members	1,473	0.02%
	Non-Resident Indian (NRI)	28,004	0.47%
	HUF	40,289	0.68%
	Total Shareholding	59,46,326	100.00%

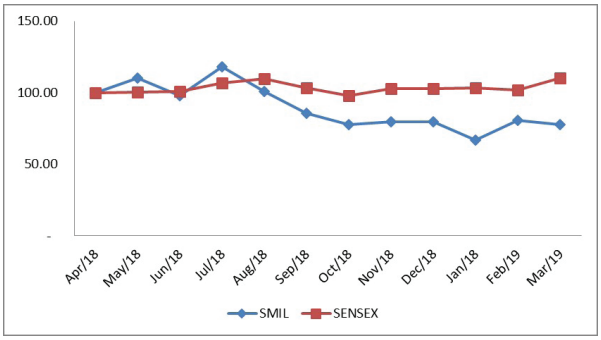
Performance of Sharda Motor Industries Limited (SMIL) share price in comparison of BSE SENSEX and NSE NIFTY 50

(Closing value of SMIL share price Vs. BSE Sensex & SMIL share price Vs. NSE NIFTY 50 on the last trading of the month)

Base is considered to be 100 as at April, 2018 in both the charts. Further, during the year under review, Securities were never suspended from trading on the above said Stock Exchanges.

Source: www.bseindia.com, www.nseindia.com





Source: www.bseindia.com, www.nseindia.com

Dematerialization of shares and liquidity

The shares of the Company are generally traded in dematerialized form and are available for trading with both the depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India)Limited (CDSL). As on 31st March, 2019, 98.44% shares of the Company are held 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, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. Tamilnadu - 602105
4. Mahindra World City, Changalpattu Taluk, Kanchepuram Dist. Industrial Park,Tamilnadu - 603002
5. Plot No. 276,Udyog Vihar, Phase-VI, Gurgaon (Haryana)
6. Plot no. 366, Pace City -II, Udyog Vihar, Phase - IV, Gurgaon - 122001
7. Plot No.4, Sector - 31, Greater Noida, Distt. Gautam Budh Nagar, (U.P.)
8. Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar (Uttranchal)
9. Plot No.112, M.I.D.C., Satpur, Nasik-7, Maharashtra
10. Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik–422007
11. C-506, Block - C, Pioneer Industrial Park (Village Bhudka) Pathredi, Gurgaon (Haryana)
12. Plot No. C-8 Tata Motor, Vendor Park, North Kotpura, Sanand, Ahmedabad, Gujarat.
13. Plot No. 558, 559, Surajpur Bypass Industrial Area, Greater Noida, (U.P.)

Address for Investors Correspondence:
Registrar and Share Transfer Agent:
M/s. Alankit Assignments Ltd. Alankit Heights,
1E/13 Jhandewalan Extension, New Delhi-110055
Tel: 011-42541234, 23541234 Fax: 011-41543474
E-mail: rta@alankit.com

Company Secretary
Sharda Motor Industries Limited
D-188, Okhla Industrial Area Phase-I, New Delhi-110020
Tel: 011-47334100, Fax: 011-26811676
Email: investorrelations@shardamotor.com
Website: www.shardamotor.com

Annexure-IX

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of Sharda Motor Industries Limited
D-188, Okhla Industrial Area,
Phase-1, New Delhi – 110020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sharda Motor Industries Limited, having CIN: L74899DL1986PLC023202 and Registered Office at D-188, Okhla Industrial Area, Phase-1,New Delhi – 110020, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S.No.	Name of Director	DIN	Date of Appointment in Company
1	Sharda Relan	00252181	29.01.1986
2	Rohit Relan	00257572	25.05.1991
3	Ajay Relan	00257584	29.01.1986
4	Udayan Banerjee	00339754	13.02.2019
5	Kishan Nagin Parikh	00453209	16.12.2005
6	Ashok Kumar Bhattacharya	02804551	28.10.2009
7	Bireswar Mitra	06958002	07.08.2014
8	Satinder KumarLambah	07425155	05.02.2016
9	Ram Prakash Choudhary*	00337775	29.08.1986

* Shri Ram Prakash Choudhary resigned from the Directorship of the Company w.e.f. the closing of business hours of 31st March, 2019.

(Jaya Yadav)
Practising Company Secretary
C.P. No. :12070

Place: Gurugram
Date: 5th August, 2019

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 2018-19.

For **Sharda Motor Industries Ltd**

Ajay Relan
Managing Director& CEO
DIN 00257584

CEO/CFO Certification

To,

Board of Directors, and Audit Committee
Sharda Motor Industries Limited
D – 188, Okhla Industrial Area, Phase I,
New Delhi - 110020

CERTIFICATE FOR THE YEAR ENDED 31.03.2019

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 2018-19 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

(d) We have indicated to the auditors and the Audit Committee:

  (i) that there are no significant changes in internal control over financial reporting during the year 2018-19;

  (ii) that there are no significant changes in accounting policies during the year 2018-19; 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

Place: Gurugram

Place: Delhi
Date: 27th May, 2019

AUDITORS' CERTIFICATE

To
The Members of
Sharda Motor Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Sharda Motor Industries Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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 to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gupta Vigg & Co.,
Chartered Accountants
Firm Registration No. 001393N

CA Deepak Pokhriyal
Partner
Membership No. 524778

Place: New Delhi
Date : 12th August, 2019

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 interestcosts.

A. INDUSTRY STRUCTURE, DEVELOPMENTS ANDOUTLOOK

The automobile industry in India is world's fourth largest, with the country currently being the world's 4th largest manufacturer of cars and 7th largest manufacturer of commercial vehicles in 2018. Indian automotive industry (including component manufacturing) is expected to reach Rs 16.16-18.18 trillion (US$ 251.4-282.8 billion) by 2026. Two-wheelers dominate the industry and made up 81 per cent share in the domestic automobile sales in FY19. Overall, Domestic automobiles sales increased at 6.71 per cent CAGR between FY13-18 with 26.27 million vehicles being sold in FY19. In FY19, commercial vehicles recorded the fastest pace of growth in domestic sales at 17.55 per cent year-on-year, followed by three-wheelers at 10.27 per cent year-on-year. The passenger vehicle sales in India crossed the 3.37 million units in FY19, and is further expected increase to 10 million units by FY20. The government aims to develop India as a global manufacturing as well as a R&D hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRIP) centers as well as a National Automotive Board to act as facilitator between the government and the industry. The Indian government has also set up an ambitious target of having only electric vehicles being sold in the country. The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. In February 2019, the Government of India approved the FAME-II scheme with a fund requirement of Rs 10,000 crore (US$ 1.39 billion) for FY20-22. The Government of India expects automobile sector to attract US$ 8-10 billion in local and foreign investments by 2023.

B. OPPORTUNITIES &THREATS

Currently, the automotive sector contributes more than 7 percent to India's GDP. The Automotive Mission Plan 2016–26 sets an aspiration to increase the contribution to 12 percent. A number of economic trends could help in meeting this target. Rapid urbanization means the country will have over 500 million people living in cities by 2030 which is 1.5 times the current US population. Rising incomes will also play a role, as roughly 60 million households could enter the consuming class (defined as households with incomes greater than $8,000 per annum) by 2025.

To reduce dependency on oil imports, the government is promoting adoption of alternative fuels through FAME2. It is expected to incentivize electrification of the public-transport fleet of buses and taxis, as well as facilitate demand for all types of alternative fuel. Furthermore, to enable immediate adoption, a lower goods and services tax of 12 % is applied to battery electric vehicles, compared with 31 to 48 percent for other vehicles. Electrification has just started to take off in India. Factors such as declining prices of batteries and supportive policies from the government are stimulating the segment's growth. In 2017, only 2,352 units of electric vehicles were sold. However, early signs of growth are visible through an order for 10,000 electric vehicles by the government's energy-service company known as Energy Efficiency Services Limited.

The pros and cons of electrification continue to evolve. Reduction in emissions and less dependency on oil imports are clear advantages of electrification. The level of adoption of electric vehicles will determine its impact on the automobile industry. According to industry experts, people carriers like buses, two and three wheelers, luxury passenger vehicles, and light commercial vehicles could see maximum penetration by 2030.

THREATS

There is a direct relationship between the economic growth of the country and the performance of its major industries, including the automobile sector, which is also responsible for the allied sectors, especially auto component that is the most prominent amongthem.

The salaried class accounts for less than half of the automotive sales. Self employed people are generally the bigger source of auto sales, representing the larger unorganized economy in the country. Since the sentiment among small businesses has weakened, there is a pullback in discretionary spending such as automobiles.

Initial indicators on slowing of economy didn't raise an alarm as a result most of the companies missed it and has pushed production during festive season. As a result of low sales a huge inventory pile up is seen across all OEMs leading to production cuts now.

Further the Supreme Court of India has ruled out for the compliance of Bharat Stage IV Norms for all Vehicles to be manufactured and sold across the country with effect from April 1, 2020. In order to expedite, the Central Government skipped the BS-V norms altogether for the adoption of BS-VI norms by 2020. Some Manufacturers found that induction of such Technology would involve substantially higher development cost and manufacturing Vehicles would not lead as a viable option to the consumers in terms of cost, hence posing a threat of shutting down the Manufacturing Units, whereas some Manufacturers have already started the induction of Technology, leading to the overall slowdown of the Industry.

C. SEGMENT-WISE / PRODUCT-WISEPERFORMANCE

The company is operating under single segment since Company's primary business segment involves manufacturing, assembling and trading of automobile component.

D. RISKS ANDCONCERNS

The risks and concerns of the Indian auto component industry are closely linked with stiff overseas competition, uncertainty arising from currency volatility, low-priced imports, counterfeit parts and oil pricing. The industry efforts to mitigate the above

risks along with policy measures of the government would determine the impact of the above risks on the industry going forward.

Operational risks like shortage of power which leads to increase in cost of production and change in technology which makes existing technology obsolete, rupees Depreciation at the time of import are major concern for the business. In addition to this, demand of auto component sector is dependent on the automobile sector which makes the market uncertain at times. Constantly changing regulatory environment always carries with it the risk of high taxes or duties which may increase cost to the company and also competition from foreign substitutes.

Apart from this, company also face foreign exchange risk, fluctuation in the price of raw material, excess capacity, entry of foreign players in the domestic market, high market share of unorganized sector etc.

To counter these risks, the Company has in place adequate risk measures and control systems which identify the risks, assess their severity, their potential effect on the performance of the Company through systematic reports and charts. Reports generated from the system are monitored regularly toensure 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 THEIRADEQUACY

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 toensure internal control processes and compliances. The Company takes abundant are 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 aNon-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 s ystem of internal controls designed to provide a high d egree of assurance regarding the effectiveness.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONALPERFORMANCE

The financial statements have been prepared in accordance with the requirements of applicable Corporate Laws of India. The management of yourcompany accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein.

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual Report. For financial highlights please refer heading 'Financial Summary' of Board Report.

G. HUMAN RESOURCES ANDDEVELOPMENT

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 criteria for hiring of best talent in the Company who can provide quality of work and add to the Company's growth.

The Company had 1241 permanent employees as on 31st March, 2019. The industrial relations remained peaceful and cordial throughout the year.

H. STATUTORY COMPLIANCE

On obtaining confirmation from the various units of the Company of having complied with all the statutory requirements, a Statutory Compliance Certificate on quarterly basis regarding compliance with the provisions of the various statutes duly signed by respective functional heads and countersigned by Managing Director of the Company is placed at every Audit Committee Meeting.

Further pursuant to Listing Regulations, the Company regularly obtains CEO declaration in respect of compliance of Code of Conduct adopted by the Company. A certificate from CEO and CFO is also adopted on yearly basis certifying the compliances as stipulatedin Listing Regulations.

SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

In pursuant to the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the SEBI Listing Regulations, There are no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios (Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin and Net Profit Margin) and no changes in Return on Net Worth of the Company was observed during the year under review.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing your Company's views about the industry, expectations/ predictions, objectives, etc. may be forward looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied in these statements. Your Company's operations may, inter-alia, be affected by the supply and demand situations, input prices and availability,changes in government regulations, tax laws, government or court decisions and other factors such as industry relations and economic developments etc. Investors should bear the above in mind.

source : www.ibef.org

INDEPENDENT AUDITOR'S REPORT

To The Members of Sharda Motor Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sharda Motor Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters** In the standalone financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under the Note No. 20.1.(a) to the financial statements for the year ended 31.03.2019. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the Company's management.	Our audit procedure included the following: • We discussed with themanagement regarding the internal control system foridentifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the standalone financial statements. • Obtained a detailedunderstanding and assumptions applied for considering thesematters as contingent liabilities through discussion with the management of the Company. Assessed management's estimate of the possible outcome of the disputed cases. • In addition, we engaged our internal tax expert to assess the appropriateness of Company's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 20.1 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Gupta Vigg & Co. *Chartered Accountants*
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal) *Partner*
Membership Number: 524778

Place of Signature: New Delhi
Date: May 27, 2019

Annexure 'A' To the Independent Auditors' Report

(**Annexure 'A' 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, 2019, we report that:

(i) In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company. One title deed has been mortgaged with banks for securing the short term borrowing, detail of the same are disclosed in Note No. 4 of the standalone Ind AS financial statements.

(ii) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year, except for stock-in-transit and stocks lying with third parties. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, discrepancies noticed on such verification between physical stocks and the book records were not material and these have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185. The company has complied with the provisions of Sections 186 of the Act in respect of investments made. The Company has not granted any loans and has not provided any guarantees or securities to parties covered under Section 186 of the Act.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (I) of Section 148 of the Act in respect of product covered and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and other applicable statutory dues with appropriate authorities. Further, there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable except duty of custom of Rs.6.59 lakhs.

(b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. Further, according to the information and explanations given to us, except as stated below, there are no dues of income-tax, sales tax, value added tax, service tax and duty of excise which have not been deposited by the Company on account of any disputes:

S. No.	Nature of statute	Nature of dues	Amount (Rs. in lakhs)*	Period to which amount relates	Forum where dispute is pending
1	U.P. Entry Tax Act	Entry tax	0.90	F.Y. 2001-02	Appellate Authority UP Trade Tax
2	Maharashtra Sales Tax Act	VAT	23.69	F.Y. 2010-11	Sales Tax Tribunal, Nashik
			9.39	F.Y. 2011-12	Joint Commissioner, Nashik
3	Tamil Nadu Sales Tax Act	VAT	29.72	F.Y. 2005-06 & 2006-07	High Court, Madras
4	Service Tax under Finance Act, 1994	Service Tax	34.02	F.Y. 2011-12, 2012-13, 2013- 14 & 2014-15	CESTAT, Chennai
			8.16	F.Y. 2010-11, 2011-12, 2012-13, 2013-14 & 2014-15	CESTAT, Ahmedabad
			4.30	F.Y. 2011-12, 2012-13, 2013- 14 & 2014-15	CESTAT, Mumbai

5	Central Excise Act	Cenvat Credit	2.24	F.Y. 2007-08	Commissioner Central Excise & Service Tax (Appeals) LTU, New Delhi
			440.00	F.Y. 2008-09 & 2009-10	Hon'ble Supreme Court of India
			0.83	F.Y. 2015-16 & 2016-17	Asst. Comm. Central excise & Service tax LTU, New Delhi
			1.39	F.Y. 2014-15 & 2015-16	CESTAT, Chennai
			7.35	F.Y. 2010-11 & 2011-12	CESTAT, Mumbai
6	Income Tax Act	Income Tax	41.55	A.Y. 2012-13	ITAT, New Delhi
7	Income Tax Act	Income Tax	1.03	A.Y. 2013-14	CIT (Appeal), New Delhi

* Net of protest money paid.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Accordingly, the provisions of paragraph 3(viii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(ix) The Company has not raised any money by way of Initial public offer or future public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company, hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(xiii) Based on our examination of the books of account and records of the Company, all transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable Indian accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected to its directors. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For Gupta Vigg & Co. *Chartered Accountants*
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal) *Partner*
Membership Number: 524778

Place of Signature: New Delhi
Date: May 27, 2019

Annexure 'B' To the Independent Auditors' Report

Annexure 'B' To the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of 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 with reference to financial statements of Sharda Motor Industries Limited ("the Company") as of March 31, 2019 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 controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gupta Vigg & Co. *Chartered Accountants*
Firm's Registration Number: 001393N

(CA. Deepak Pokhriyal) *Partner*
Membership Number: 524778

Place of Signature: New Delhi

Date: May 27, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2019	As At March 31, 2018
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	19,239.26	17,472.11
(b) Capital work in progress	5	26.84	36.28
(c) Intangible assets	6	176.14	440.00
(d) Financial assets			
(i) Investments	7	217.25	216.25
(ii) Other financial assets	8	307.04	284.70
(e) Non-current tax asset (net)	9	74.57	50.06
(f) Other non-current assets	10	1,833.96	872.18
Total non-current assets		**21,875.06**	**19,371.58**
Current assets			
(a) Inventories	11	10,310.04	8,562.04
(b) Financial assets			
(i) Investments	7	8,235.82	10,407.08
(ii) Trade receivables	12	13,211.46	12,240.73
(iii) Cash and cash equivalents	13	7,042.48	2,200.73
(iv) Bank balances other than (iii) above	14	7,070.79	5,170.17
(v) Other financial assets	8	188.16	160.27
(c) Other current assets	10	511.10	548.11
(d) Asset held for sale	30	19.57	19.58
Total current assets		**46,589.41**	**39,308.71**
Total assets		**68,464.48**	**58,680.29**
II. Equity and liabilities			
Equity			
(a) Equity share capital	15	594.63	594.63
(b) Other equity	16	43,233.95	34,908.13
Total equity		**43,828.58**	**35,502.76**
Liabilities			
Non- current liabilities			
(a) Provisions	20	524.03	423.43
(b) Deferred tax liabilities (net)	32	595.20	781.02
Total non- current liabilities		**1,119.23**	**1,204.45**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
- Total outstanding dues of micro and small enterprises		345.24	-
- Total outstanding dues of creditors other than micro and small enterprises		18,771.08	18,291.78
(ii) Other financial liabilities	18	1,075.19	516.29
(b) Other current liabilities	19	2,859.89	2,762.83
(c) Provisions	20	465.27	402.18
Total current liabilities		**23,516.67**	**21,973.08**
Total liabilities		**24,635.90**	**23,177.53**
Total equity and liabilities		**68,464.48**	**58,680.29**
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Place of Signature : New Delhi
Date : May 27, 2019

Statement of profit and loss for year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	21	113,987.27	120,425.88
II	Other income	22	2,197.71	1,780.30
III	**Total income (I+II)**		**116,184.98**	**122,206.18**
IV	**Expenses**			
	(a) Cost of materials consumed	23	70,971.10	73,125.90
	(b) Purchases of stock-in-trade	24	6,989.97	6,060.51
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	25	(325.78)	(231.00)
	(d) Excise duty on sale of goods		-	4,881.31
	(e) Employee benefits expense	26	8,578.33	8,203.22
	(f) Finance costs	27	4.59	213.00
	(g) Depreciation and amortization expense	28	4,096.83	4,377.89
	(h) Other expenses	29	13,240.65	13,841.90
	Total expenses		**103,555.68**	**110,472.73**
V	**Profit before exceptional items and tax (III-IV)**		**12,629.30**	**11,733.45**
VI	**Exceptional items**	30	-	58.73
VII	**Profit before tax (V-VI)**		**12,629.30**	**11,674.72**
VIII	**Tax expense:**			
	(a) Current tax	31.1	4,022.65	4,088.59
	(b) Deferred tax	31.1	(179.39)	(274.89)
	Total tax expense		**3,843.26**	**3,813.70**
IX	**Profit for the year (VII-VIII)**		**8,786.04**	**7,861.02**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gains/ (losses) on defined benefit plans		(18.38)	6.48
	- Income tax on items that will not be reclassified to profit or loss		6.42	(2.24)
	Total other comprehensive income for the year, net of tax		**(11.96)**	**4.24**
XI	**Total comprehensive income for the year, net of tax (IX+X)**		**8,774.08**	**7,865.26**
XII	**Earnings per share: (Face value ₹ 10 per share)**	33		
	1) Basic (amount in ₹)		147.76	132.20
	2) Diluted (amount in ₹)		147.76	132.20
	Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place of Signature : New Delhi
Date : May 27, 2019

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital

	Amount
Balance as at March 31, 2017	**594.63**
Changes during the year	-
Balance as at March 31, 2018	**594.63**
Changes during the year	-
Balance as at March 31, 2019	**594.63**

B. Other Equity

	Reserve & Surplus				
	Capital Reserve	General Reserve	Retained earnings	Other comprehensive income-Remeasurement of defined benefit obligation	Total
Balance as at March 31, 2017	**0.20**	**21,025.68**	**6,915.96**	**(4.37)**	**27,937.47**
Profit for the year	-	-	7,861.02	-	7,861.02
Transfer to General Reserve	-		-	-	-
Other comprehensive income for the year, net of tax	-	-	-	4.24	4.24
Total Comprehensive Income	**-**	**-**	**7,861.02**	**4.24**	**7,865.27**
Payment of Dividend	-	-	(743.26)	-	(743.26)
Dividend Distribution Tax	-	-	(151.34)	-	(151.34)
Balance as at March 31, 2018	0.20	21,025.68	13,882.38	(0.13)	34,908.13
Profit for the year	-	-	8,786.04	-	8,786.04
Transfer to General Reserve	-		-	-	-
Other comprehensive income for the year, net of tax	-	-	-	(11.96)	(11.96)
Total Comprehensive Income	**-**	**-**	**8,786.04**	**(11.96)**	**8,774.09**
Payment of Dividend	-	-	(371.65)	-	(371.65)
Dividend Distribution Tax	-	-	(76.61)	-	(76.61)
Balance as at March 31, 2019	**0.20**	**21,025.68**	**22,220.17**	**(12.09)**	**43,233.95**
Summary of Significant Accounting Policies	3				

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place of Signature : New Delhi
Date : May 27, 2019

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Cash Flow Statement for the year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	12,629.30	11,674.72
	Adjustments for:		
	Depreciation and amortization	4,096.83	4,377.89
	Finance cost	4.59	213.00
	Interest income	(459.03)	(365.13)
	Interest income under effective interest rate method on security deposits at amortised cost	(0.83)	(0.66)
	Dividend Income - Non-current investment	(93.75)	(81.00)
	Dividend Income - Current investment	(61.22)	(177.24)
	Loss / (Gain) on sale of financial asset measured at Fair value through profit and loss (FVTPL)	(352.66)	(346.06)
	Diminution in value of asset held for sale	-	58.73
	Property, plant and equipment written off	-	16.90
	Provision for doubtful debts	-	2.51
	Loss / (Gain) on sale of property, plant and equipment (net)	(263.40)	(352.18)
	Fair value gain on investment in mutual fund designated at FVTPL	(366.24)	(193.69)
	Unrealized loss/(gain) on reinstatement of foreign exchange (net)	47.88	(16.74)
	Fair value losses on derivatives not designated as hedged	-	111.36
	Operating profit / (loss) before adjustments	**15,181.47**	**14,922.40**
	Adjustments for:		
	Decrease/(increase) in inventories	(1,748.00)	(1,378.35)
	Decrease/(increase) in trade receivables	(983.64)	(1,513.76)
	Decrease/(increase) in other financial assets	(15.73)	989.61
	Decrease/(increase) in other assets	37.00	77.86
	Increase in trade payables	789.56	1,883.20
	Increase in other liabilities	97.06	776.97
	Increase in other financial liabilities	(1.10)	(115.59)
	Increase/(decrease) in provisions	145.32	(26.71)
	Cash generated from operating activities	**13,501.93**	**15,615.63**
	Taxes (paid) / refund	(4,047.16)	(4,037.92)
	Net cash from operating activities - (A)	**9,454.77**	**11,577.71**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment including capital work-in-progress	(6,404.08)	(2,520.70)
	Acquisition of intangible assets including intangible assets under development	(45.40)	(55.82)
	Proceeds from sale of property, plant and equipment	721.39	761.27
	Payments for purchase of investments	(20,008.08)	(16,003.93)
	Proceeds from sale of investments	22,897.24	13,931.96
	Bank deposits (made)/proceeds	(1,900.62)	233.66
	Dividend Income - Non-current investment	93.75	81.00
	Dividend Income - Current investment	61.22	177.24
	Interest received	426.66	388.61
	Net cash used in investing activities - (B)	**(4,157.92)**	**(3,006.71)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of borrowings	-	(5,794.70)
	Finance cost paid	(4.59)	(259.63)
	Dividend paid (including corporate dividend tax)	(450.52)	(898.29)
	Net cash from financing activities - (C)	**(455.11)**	**(6,952.62)**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**4,841.75**	**1,618.37**
	Cash and cash equivalents at the beginning of the year	2,200.73	582.36
	Cash and cash equivalents at the end of the year [refer note 13]	**7,042.48**	**2,200.73**

Note:

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7- "Statement of cash flow"

ii) Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 13).

iii) For components of cash and cash equivalents refer note no.13

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place of Signature : New Delhi
Date : May 27, 2019

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Notes to financial statements for the year ended March 31, 2019

Note 1: Corporate Information

Sharda Motor Industries Limited ("the Company") is primarily engaged in the manufacturing and assembly of Auto Components and White Goods Components. The Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got a 'State of Art' manufacturing facilities across thirteen locations in seven states of India. The Company's production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems, Sheet Metal Components and Plastic parts for the Automotive and White Goods Industries.

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on May 27, 2019.

2.2 Basis of preparation and presentation:

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial assets and liabilities and net defined benefits (assets)/liability which are measured at fair value and fair value of the plan assets less present value of defined benefits obligations respectively at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below.

2.3 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2019 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.4 Use of estimates and judgments:

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgement regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.5 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The

directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.6 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities.Sale includes revision in prices received from customers with retrospective effect.

Revenue arises mainly from the sale of manufactured and traded goods.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

Dividend and Interest Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

3.2 Recognition of interest expense:

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments throughout the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.3 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development as at the balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benifits are expected to arise from continous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013 (Years)
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%

3.4 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

3.5 Research & Development Costs:

a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.6 Impairment of tangible and intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.7 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction or production of qualifing assets, which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.8 Foreign currencies:

Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ` lakhs except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.9. Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.10 Leases:

Determining whether arrangement contains a lease.

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

Lease payments

Payments made under operating leases are recognised in statement of profit or loss on a straight line basis over the term of the lease unless such payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expenses over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.11 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3.12 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed when there is a possible asset that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company.

3.13 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial asset and financial liabilities are initially measured at fair value. Transaction cost which are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

(a) Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirely at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has an equity investment in an entity which is not held for trading. The Company has elected to measure this investment at amortised cost. Dividend, if any, on this investments is recognised in profit or loss.

Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in mutual funds are measured at fair value through profit and loss. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(b) Financial liabilities and equity instruments

Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.14 Derivative financial instruments:

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

3.15 Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.16 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.17 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.18 Dividends;

Final dividends, if declared/ recmended on shares are recorded on the date of approval by the shareholders of the Company.

3.19 Assets Held for Sale;

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.20 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

3.21 Recent accounting pronouncements-Standards issued but not yet effective:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment came into force from April 1, 2018. The Company evaluated the requirements of the amendment and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize

revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is yet to decide the method of applicability and is evaluating the requirements of the amendment and its effect on the financial statements.

Modifications on Ind AS 102, have been issued by MCA, however the standard is not applicable to the Company.

Amendment to Ind AS 12 : The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements and its impact on the financial statements.

3.22 Recent accounting pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits, Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

Ind AS 116- Leases:

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard on its financial statements.

Appendix C to Ind AS 12, Uncertainty over income tax treatment :

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following :

- Whether an entity considers uncertain tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 19, Plan amendment, curtailment or settlement :

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to :

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.

Amendments to Ind 23 Borrowing costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.

Note 4 : Property, Plant and Equipment

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2017	**1,403.31**	**642.22**	**12,309.75**	**4,961.92**	**208.40**	**75.43**	**80.36**	**1,037.12**	**410.38**	**21,128.89**
Add: Additions made during the year	-	-	1,930.41	27.32	34.52	66.58	14.61	33.81	46.66	2,153.91
Less: Disposals / adjustments during the year	-	-	684.62	-	5.69	6.69	1.85	8.12	18.09	725.06
As at March 31, 2018	**1,403.31**	**642.22**	**13,555.54**	**4,989.24**	**237.23**	**135.32**	**93.12**	**1,062.81**	**438.95**	**22,557.74**
Add: Additions made during the year	-	-	5,249.83	4.56	10.82	25.42	4.44	3.84	398.03	5,696.94
Less: Disposals / adjustments during the year	-	-	711.05	-	0.52	0.19	0.01	0.72	66.70	779.19
As at March 31, 2019	**1,403.31**	**642.22**	**18,094.32**	**4,993.80**	**247.53**	**160.55**	**97.55**	**1,065.93**	**770.28**	**27,475.49**
Depreciation and impairment										
As at March 31, 2017	**-**	**8.67**	**2,943.24**	**495.72**	**59.09**	**25.11**	**23.83**	**195.44**	**77.67**	**3,828.77**
Add: Depreciation charge for the year	-	8.67	2,642.12	445.65	49.99	48.35	18.34	164.71	98.54	3,476.37
Less: On disposals / adjustments during the year	-	-	216.90	-	3.29	1.62	0.73	7.04	3.58	233.16
As at March 31, 2018	**-**	**17.34**	**5,368.46**	**941.37**	**105.79**	**71.84**	**41.44**	**353.11**	**172.63**	**7,071.98**
Add: Depreciation charge for the year	-	8.67	2,613.06	403.07	36.98	39.32	14.13	132.02	153.70	3,400.95
Less: On disposals / adjustments during the year	-	-	279.23	-	0.52	0.19	-	0.72	36.31	316.97
As at March 31, 2019	**-**	**26.01**	**7,702.29**	**1,344.44**	**142.25**	**110.97**	**55.57**	**484.41**	**290.02**	**10,155.96**

Research & Development

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2017	**-**	**-**	**1,922.41**	**599.63**	**31.51**	**23.58**	**2.80**	**139.67**	**8.92**	**2,728.52**
Add: Additions made during the year	-	-	131.45	-	2.85	6.50	6.76	-	9.08	156.64
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**2,053.86**	**599.63**	**34.36**	**30.08**	**9.56**	**139.67**	**18.00**	**2,885.16**
Add: Additions made during the year	-	-	294.42	-	0.73	14.17	0.00	-	10.66	319.98
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**2,348.28**	**599.63**	**35.09**	**44.25**	**9.56**	**139.67**	**28.66**	**3,205.14**

Depreciation and impairment										
As at March 31, 2017	**-**	**-**	**404.34**	**28.65**	**10.16**	**5.37**	**0.68**	**25.31**	**2.97**	**477.48**
Add: Depreciation charge for the year	-	-	348.71	27.28	7.79	12.33	1.94	20.73	2.55	421.33
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**753.05**	**55.93**	**17.95**	**17.70**	**2.62**	**46.04**	**5.52**	**898.81**
Add: Depreciation charge for the year	-	-	325.19	25.98	5.23	5.99	1.79	16.97	5.46	386.61
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**1,078.24**	**81.91**	**23.18**	**23.69**	**4.41**	**63.01**	**10.98**	**1,285.42**
Net carrying amount										
As at March 31, 2019	**1,403.31**	**616.21**	**11,662.07**	**4,167.08**	**117.19**	**70.14**	**47.14**	**658.18**	**497.95**	**19,239.26**
As at March 31, 2018	**1,403.31**	**624.88**	**9,487.89**	**4,591.57**	**147.85**	**75.86**	**58.62**	**803.33**	**278.80**	**17,472.11**

Notes:

1. Details of assets charged to Banks: :

i) Equitable mortgage of leasehold land and building, situated at Plot No.4, Sector 31, Greater Noida Industrial Development Area, U.P. and hypothecation of movable assets including plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital lenders.

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress	As At March 31, 2019	As At March 31, 2018
Plant & Machinery	26.84	36.28
	26.84	**36.28**

Note 6 : Intangible assets	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2017	**12.15**	**1,179.31**	**1,191.46**
Add: Additions made during the year	31.38	-	31.38
Less: Disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	**43.53**	**1,179.20**	**1,222.73**
Add: Additions made during the year	45.41	-	45.41
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**88.94**	**1,179.20**	**1,268.14**
Amortisation and impairment			
As at March 31, 2017	**7.22**	**441.98**	**449.20**
Add: Amortisation for the year	9.70	421.49	431.19
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	**16.92**	**863.36**	**880.28**
Add: Amortisation for the year	19.29	238.08	257.37
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**36.21**	**1,101.44**	**1,137.65**

Research & Development	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2017	**143.67**	**22.54**	**166.21**
Add: Additions made during the year	24.45	-	24.45
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2018	**168.12**	**22.54**	**190.66**
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**168.12**	**22.54**	**190.66**
Amortisation and impairment			
As at March 31, 2017	**22.63**	**21.48**	**44.11**
Add: Amortisation for the year	47.94	1.06	49.00
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	**70.57**	**22.54**	**93.11**
Add: Amortisation for the year	51.90	-	51.90
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**122.47**	**22.54**	**145.01**
Net carrying amount			
As at March 31, 2019	**98.38**	**77.76**	**176.14**
As at March 31, 2018	**124.16**	**315.84**	**440.00**

Note 7 : Investments	As At March 31, 2019	As At March 31, 2018
NON-CURRENT		
Investments measured at cost		
In equity shares of Associates		
Quoted, fully paid up		
9,000,000 (March 31, 2018: 9,000,000) Equity Shares of ₹ 2/- each of Bharat Seats Ltd. { including 4,500,000 Bonus Shares (March 31, 2018: 4,500,000) }	90.00	90.00
	90.00	**90.00**
In equity shares of Associates		
Unquoted, fully paid up		
490,000 (March 31, 2018: 490,000) Equity shares of ₹ 10 each of Relan Industrial Finance Ltd.	49.00	49.00
	49.00	**49.00**
In equity shares of Joint Ventures		
Unquoted, fully paid up		
5,000 (March 31, 2018: 5,000) Equity shares of ₹ 10 each of Toyota Boshoku Relan India Pvt. Ltd.	0.50	0.50
750,000 (March 31, 2018: 750,000) Equity shares of ₹ 10 each of Toyo Sharda India Pvt. Ltd.	75.00	75.00
	75.50	**75.50**
In equity shares of Wholly owned Subsidiary *		
Unquoted, fully paid up		
10,000 (March 31, 2018 : Nil) Equity shares of ₹ 10 each of NDR Auto Components Ltd * During the current year the company has incorporated wholly owned subsidiary company viz NDR Auto Components Ltd. on March 19, 2019. The investment in the company are held in its own name except six equity shares which are held in the name of its nominees.	1.00	-
	1.00	**-**
In equity shares of Other		
Unquoted, fully paid up		
17,500 (March 31, 2018: 17,500) Equity shares of ₹ 10 each of Windage Power Company Private Limited	1.75	1.75
	1.75	**1.75**

Information about Subsidiary, Associates & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As At March 31, 2019	As At March 31, 2018
Associates		
Bharat Seats Ltd, India, Manufacturing of Seating System	28.66	28.66
Relan Industrial Finance Ltd., India, Service provider of investments	47.12	47.12
Joint Ventures		
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00
Wholly owned Subsidiary *		
NDR Auto Components Ltd., India, Manufacturing of Seating System	100.00	NIL
Total (A)	**217.25**	**216.25**

CURRENT

Investment measured at fair value through profit or loss

Investment In Mutual Fund & Tax Free Bond (Quoted)

- Nil (March 31,2018: 9,447,048.91) units of Reliance Arbitrage Advantage Fund (MD)	-	999.36
- Nil (March 31,2018: 7,519,834.30) units of SBI Arbitrage Opportunities Fund (D)	-	1,002.36
- Nil (March 31,2018: 7,986,431.54) units of ICICI Prudential Equity-Arbitrage Fund - Retail Plan (D)	-	1,089.27
- Nil (March 31,2018: 3,672,422.63) units of HDFC Arbitrage Fund - Wholesale Plan (MD)	-	399.67
- Nil (March 31,2018: 3,536,060.64) units of ICICI Prudential Equity Income Fund - Regular Plan (MD)	-	393.21
- Nil (March 31,2018: 13,178,805.39) units of Kotak Equity Savings Fund - Regular Plan (MD)	-	1,469.09
- Nil (March 31,2018: 3,451,191.52) units of Reliance equity Savings fund-Monthly Dividend	-	382.94
- 6,999,407.76 (March 31,2018: 6,999,407.76) units of Reliance Short Term Fund (Growth)	2,430.21	2,284.30
- 3,776,031.01 (March 31,2018: 3,776,031.01) units of ICICI Prudential Short Term plan Regular (Growth)	1,458.33	1,366.74
- 408,105.3 (March 31,2018: 408,105.3) units of Aditya Birla Sunlife Short Term Fund (Growth)	292.39	271.03
- 223,015.17 (March 31,2018: 223,015.17) units of ICICI Prudential equity & debt fund (Growth)	299.82	278.52
- 582,328.09 (March 31,2018: 582,328.09) unit of Reliance prime debt Fund (Growth)	227.80	212.09
- 3980758.54 (March 31,2018: 2084463.32) units SBI Equity Savings Fund - Regular Plan-Growth	202.17	258.50
- 54,519.21 (March 31,2018: Nil) units ICICI Prodential Money Market Fund - Growth	462.89	-
- 41199.265 (March 31,2018: Nil) units SBI Premier Liquid Fund	1,200.00	-
- 50 (March 31,2018: Nil) units NHAI 2030 - Tax free Bond	572.22	-
- 50000 (March 31,2018: Nil) units REC 2022 - Tax free Bond	550.00	-
- 50000 (March 31,2018: Nil) units IRFC 2022 - Tax free Bond	539.99	-
Total (B)	**8,235.82**	**10,407.08**
Total (A+B)	**8,453.07**	**10,623.33**

Aggregate value of unquoted investments	127.25	126.25
Aggregate value of quoted investments	7,390.00	10,090.00
Market value of quoted investments	16,443.82	25,851.08
Aggregate value of impairment in the value of investment	-	-

Note 8 : Other financial assets (Unsecured and considered good, unless otherwise stated)	**As At March 31, 2019**	**As At March 31, 2018**
Non- current		
Security deposits (Refer to note 'a' below)	302.04	279.70
Deposits with original maturity of more than 12 months and remaining maturity of more than 12 months (Refer to note 'b' below)	5.00	5.00
Total (A)	**307.04**	**284.70**

Note 8 : Other financial assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2019	As At March 31, 2018
Current		
Staff Advance	21.24	25.72
Interest accrued on fixed deposits	153.34	125.36
Interest accrued others	4.96	0.57
Receivable from related parties	8.62	8.62
(Refer to note 'c' below)		
Total (B)	**188.16**	**160.27**
Total (A+B)	**495.20**	**444.97**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.

b) Margin Money Deposit is pledged with Canara bank amounting to ₹ 5 Lakhs (March 31, 2018: ₹ 5.00 Lakhs).

c) For detailed related party disclosures, refer note no. 35.

Note 9 : Non-current tax asset	As At March 31, 2019	As At March 31, 2018
Advance Income Tax	74.57	50.06
(Net of provision of ₹ 10,351.66 (March 31, 2018 : ₹ 7,759.83 Lakhs)		
	74.57	**50.06**

Note 10 : Other assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2019	As At March 31, 2018
Non- Current		
Capital Advances(refer note below)	1,833.96	870.88
Deferred Payment Asset	-	1.30
Total (A)	**1,833.96**	**872.18**
Current		
Balance with Statutory Authorities	51.41	67.03
Advances to Suppliers	280.13	305.86
Deferred Payment Asset	-	0.72
Prepaid Expenses	169.49	130.99
Other Receivable (refer to note below)	10.07	43.51
Deferred asset		-
Total (B)	**511.10**	**548.11**
Total (A+B)	**2,345.06**	**1,420.29**

Other receivable includes duty drawback receivable, staff imprest account etc.

Note: Details of Capital commitment is as follows:

Particulars	As At March 31, 2019	As At March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	2,345.30	1,127.68
	2,345.30	**1,127.68**

Note 11: Inventories (Valued at lower of cost or net realizable value)	As At March 31, 2019	As At March 31, 2018
Raw Materials	7,659.54	6,242.65
Raw Materials - In Transit	289.49	328.57
Work In Progress	2,108.06	1,782.28
Consumable Stores and Spares	252.95	208.54
	10,310.04	**8,562.04**

Note:

1. The mode of valuation of inventories has been stated in note 3.9.
2. Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 12 : Trade receivables	**As At March 31, 2019**	**As At March 31, 2018**
Unsecured, Considered Good	13,211.46	12,240.73
Unsecured, Considered credit impaired	2.51	2.51
	13,213.97	12,243.24
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	2.51	2.51
	13,211.46	**12,240.73**

a) Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

b) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 13 : Cash and cash equivalents	**As At March 31, 2019**	**As At March 31, 2018**
Balances with banks:		
- on current account	6,042.32	900.28
- deposits with original maturity of less than 3 months	1,000.00	1,300.00
Cash in hand:	0.16	0.45
	7,042.48	**2,200.73**

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 14 : Bank balances other than cash and cash equivalents	**As At March 31, 2019**	**As At March 31, 2018**
Balances with banks:		
- Unclaimed dividend account	39.70	41.96
Deposits with original maturity of more than 3 months but less than 12 months	4,031.09	1,928.21
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	3,000.00	3,200.00
	7,070.79	**5,170.17**

Note 15 : Equity Share Capital	**As At March 31, 2019**	**As At March 31, 2018**
Authorised Share Capital		
50,000,000* (March 31, 2018:50,000,000) equity shares of ₹ 10 each	5000.00	5000.00
Issued, subscribed and fully paid up		
5,946,326* (March 31, 2018: 5,946,326) equity shares of ₹ 10 each	594.63	594.63
	594.63	**594.63**

a) Reconciliation of share capital:

	As At March 31, 2019		**As At March 31, 2018**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance as at March 31, 2017	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2018	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2019	**5,946,326**	**594.63**	**5,946,326**	**594.63**

b) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. No dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) During the year, no interim dividend (March 31, 2018: ₹ 6.25 per share) has been recognized as distributions to equity shareholders.

*Note: Number of Shares are given in absolute numbers

c) Details of shareholders holding more than 5% shares in the Company

	As At March 31, 2019		As At March 31, 2018	
Name of Party	**No. of shares**	**Holding %**	**No. of shares**	**Holding %**
Ajay Relan	1,927,219	32.41%	1,914,195	32.19%
Rohit Relan	428,818	7.21%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	520,826	8.76%
Aashim Relan	304,440	5.12%	304,440	5.12%

Note: Number of Shares are given in absolute numbers

Note 16 : Other Equity	**Amount**
a) General Reserve	
Balance as at March 31, 2017	**21,025.68**
Movement during the year	-
Balance as at March 31, 2018	**21,025.68**
Movement during the year	-
Balance as at March 31, 2019	**21,025.68**

The general reserve is created from, time to time transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

b) Capital Reserve	
Balance as at March 31, 2017	**0.20**
Movement during the year	-
Balance as at March 31, 2018	**0.20**
Movement during the year	-
Balance as at March 31, 2019	**0.20**

c) Retained Earnings	
Balance as at March 31, 2017	**6,915.96**
Add:- Profit for the year	7,861.02
Less: Dividend Paid	743.27
Less: Dividend Distribution Tax Paid	151.33
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	**13,882.38**
Add:- Profit for the year	8,786.04
Less: Dividend Paid	371.65
Less: Dividend Distribution Tax Paid	76.61
Less: Transfer to General Reserve	-
Balance as at March 31, 2019	**22,220.16**

Notes:

1. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
2. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
3. For the year ended March 31, 2018, a dividend of ₹ 12.50 per share (total dividend of ₹ 743.27 Lakhs) was paid to holders of fully paid equity shares.
4. For the year ended March 31, 2019, no interim dividend (March 31, 2018, ₹ 371.63 Lakhs) was paid to holders of fully paid equity shares. No final dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share).

d) Other comprehensive income-Remeasurement of defined benefit obligation

Balance as at March 31, 2017	**(4.37)**
Add:- Gain/(Loss) recognised during the year	4.24
Balance as at March 31, 2018	**(0.13)**
Add:- Gain/(Loss) recognised during the year	(11.96)
Balance as at March 31, 2019	**(12.09)**

Total Other Equity:	
As at March 31, 2018	**34,908.13**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	13,882.38
d) OCI-Remeasurement of defined benefit obligation	(0.13)
As at March 31, 2019	**43,233.95**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	22,220.16
d) OCI-Remeasurement of defined benefit obligation	(12.09)

Note 17 : Trade payables	**As At March 31, 2019**	**As At March 31, 2018**
- Outstanding dues of micro and small enterprises	345.24	-
- Outstanding dues of creditors other than micro and small enterprises	18,771.08	18,291.78
	19,116.32	**18,291.78**

a) Trade payables are non-interest bearing and are normally settled on 90-day terms. The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 39.

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006

	As At March 31, 2019	**As At March 31, 2018**
- Principal amount due	344.34	-
- Interest accrued and due on above	0.90	-
	345.24	**-**
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil

		As At March 31, 2019	As At March 31, 2018
(iii)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.90	Nil
(iv)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

i. 'The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

ii. The total dues to Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ 71.08 lakhs (March 31, 2018 Nil)

Note 18 : Other Financial Liabilities	As At March 31, 2019	As At March 31, 2018
Current		
Unclaimed dividends (refer note (a) below)	39.70	41.96
Security deposit	34.30	37.05
Creditors for capital goods-micro and small enterprises	1.65	-
Creditors for capital goods- Other than micro and small enterprises	999.54	437.28
Total	**1,075.19**	**516.29**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2019.

Note 19 : Other Liabilities	As At March 31, 2019	As At March 31, 2018
Current		
Advance from customers	1,298.60	796.01
Statutory dues	1,518.88	1,906.91
Others *	42.41	59.91
Total	**2,859.89**	**2,762.83**

* other comprises of custom duty, earnest money received and staff payable

Note 20 : Provisions	As At March 31, 2019	As At March 31, 2018
Non- current		
Provision for employee benefits :		
Provision for compensated absences (refer note 34)	203.04	205.17
Others :		
Provision for warranty	320.99	218.26
Total (A)	**524.03**	**423.43**
Current		
Provision for employee benefits :		
Provision for compensated absences (refer note 34)	133.57	81.13
Provision for gratuity (refer note 34)	153.67	152.39
Others :		
Provision for warranty	178.03	168.66
Total (B)	**465.27**	**402.18**
Total (A+B)	**989.30**	**825.61**

Note 20.1 Contingent Liabilities	As At March 31, 2019	As At March 31, 2018
(a) Claims against the Company not acknowledged as debts		
i) Disputed State Tax Matters	65.01	69.94
ii) Disputed Excise Matters	9.67	12.74
iii) Disputed Service Tax Matters	76.09	50.63
iv) Disputed Income Tax Matters	42.58	84.86
v) Disputed Central Excise Matters	440.00	440.00
vi) Bill discounting	151.04	102.47
vii) Dispute with Vendor	10.55	10.55
viii) Others	33.00	33.00
(b) Foreign Letter of Credit	2,551.09	3,253.15

Notes:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 21 : Revenue from operations	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Product		
- Finished goods	105,368.87	113,040.92
- Traded goods	7,844.42	6,744.71
	113,213.29	119,785.63
Sale of services	62.55	29.16
Other Operating Revenues		
- Sale of scrap	711.43	611.09
Revenue from operations	**113,987.27**	**120,425.88**

Note: Sale of goods includes excise duty collected from customers of Rs.NIL during the year (March 31, 2018: ₹ 4881.31 Lakhs).

According to the requirement of Ind-AS, revenue for the corresponding previous year ended March 31, 2018 was reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise duty, Service Tax and various other Indirect Taxes. Accordingly, per IND AS-18, the revenue for the year ended March 31, 2019 is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company would have been as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations inclusive of Excise Duty (A)	113,987.27	120,425.88
Less: Excise Duty (B)	-	4,881.31
Net Revenue from Operations (A-B)	**113,987.27**	**115,544.57**

Note 22 : Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
- Fixed deposits with banks	469.08	381.51
- Income tax refund	-	7.43
- Finance income	0.83	0.66
- Others *	10.05	8.95
Dividend income from		
- Non-current investment	93.75	81.00
- Current investment	61.22	177.24
Profit on sale of current investments designated at FVTPL	352.66	346.06
Net gain on disposal of property, plant and equipments	263.40	352.18
Net gain on foreign exchange fluctuation	-	146.37
Fair value gain on investment in mutual funds designated at FVTPL	366.24	193.69
Miscellaneous income	580.48	85.21
	2,197.71	**1,780.30**

* Others comprises of interest received on deposits with electricity boards etc.

Note 23 : Cost of Raw Material Consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material		
Balance at the beginning of the year	6,195.98	5,413.38
Add:- Purchases during the year	72,434.66	73,955.17
Less:- Balances of raw material at the end of the year	7,659.54	6,242.65
Total cost of raw material consumption	**70,971.10**	**73,125.90**

Note 24 : Purchase of Stock in Trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of stock in trade	6,989.97	6,060.51
	6,989.97	**6,060.51**

Note 25 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year		
Finished goods	-	13.91
Work- in- progress	1,782.28	1,536.53
Traded goods	-	0.84
(A)	**1,782.28**	**1,551.28**
Inventories at the end of the year		
Finished goods	-	-
Work- in- progress	2,108.06	1,782.28
Traded goods	-	-
(B)	**2,108.06**	**1,782.28**
(Increase) / Decrease		
Finished goods	-	13.91
Work- in- progress	(325.78)	(245.75)
Traded goods	-	0.84
(Increase) / Decrease in Inventory (A-B)	**(325.78)**	**(231.00)**

Note 26 : Employee benefits expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages & other benefits	7,510.53	7,057.06
Contribution to provident and other funds *	408.02	394.00
Gratuity (refer note 34)	119.40	141.19
Staff welfare expenses	540.38	610.97
	8,578.33	**8,203.22**
*** Defined contribution plans**		
Amount recognised in statement of profit & loss		
Employee state insurance	53.40	59.76
Provident fund	353.84	333.39
Welfare fund	0.79	0.85
	408.02	**394.00**

Note 27 : Finance cost	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	4.59	201.50
Interest on delayed payment of taxes	-	11.50
	4.59	**213.00**

Note 28 : Depreciation and amortization expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	3,787.56	3,897.71
Amortization of intangible assets	309.27	480.18
	4,096.83	**4,377.89**

Note 29 : Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumable tools	206.62	259.14
Power & fuel	1,148.23	1,270.85
Hire labour charges	4,825.57	5,800.68
Manufacturing expenses	200.44	113.87
Rent, rates & taxes	349.96	305.06
Repair & maintenance		
- Repair to building	88.78	162.80
- Repair to plant & equipments	360.97	323.22
- Repair others	207.51	273.28
Net loss on foreign exchange fluctuation	12.84	-
Fair value losses on derivatives not designated as hedged	-	111.36
Royalty fees	1.62	1.70
Research & development expenses (refer details 'c' below)	2,328.55	1,441.08
Travelling & conveyance	803.52	917.85
Insurance	66.02	75.55
Communication cost	64.06	62.00
Director's sitting fee & commission	18.20	13.02
Legal & professional expenses	620.95	783.24

Note 29 : Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
CSR expenses (refer details 'b' below)	13.90	10.30
Warranty claim	178.03	52.27
Property, plant and equipment written off	-	16.90
Selling expenses	7.33	7.03
Packing material	224.32	259.29
Freight outward	620.27	648.70
Auditor's remuneration (refer details 'a' below)	16.76	13.66
Miscellaneous expenses	876.20	919.05
Total	**13,240.65**	**13,841.90**

a) Details of payment made to auditors is as follows:

Payment to auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
- Statutory audit fee	8.50	8.50
- Tax audit fee *	5.00	5.00
In Other Capacity:		
- Reimbursement of expenses	0.26	0.16
- Other services	3.00	-
	16.76	**13.66**

* Tax audit fee has been provided for other auditor for both the years.

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 158.11 Lakhs (March 31, 2018: ₹ 116.24 lakhs)

ii) Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2019	For the year ended March 31, 2018
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' and others for incurring CSR Expenditure	13.90	10.30
Amount yet to be spent		144.21	105.94
Total		**158.11**	**116.24**

c) Research & Development Expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Research & development expenses include:		
- Purchases	58.11	67.18
- Salary, wages and other allowance	1,204.25	567.07
- Travelling expenses	154.15	106.96
- Design, development and other expenses	912.04	699.87
	2,328.55	**1,441.08**

d) Company's R&D Center at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the year 2007-08 to 2018-19

Financial Year	Capital Expense	Revenue Expense
2007-08	-	189.59
2008-09	-	235.01
2009-10	28.50	127.62
2010-11	802.57	210.90
2011-12	787.84	351.17
2012-13	93.07	425.85
2013-14	2,034.23	679.24
2014-15	79.63	656.03
2015-16	456.72	847.78
2016-17	217.47	986.33
2017-18	181.09	1,441.08
2018-19	319.97	2,328.55

Note 30: Exceptional Items	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Diminution in value of asset held for sale	-	58.73
	-	**58.73**

Note:

Diminution in value of asset ₹ Nil during the year (March 31, 2018 ₹ 58.73 lakhs) has been recognized on reclassification of assets as held for sale as the fair value (estimated based on the recent market prices) is less than its carrying amount and had been disclosed the same under the head 'Exceptional item'.

Note 31: Income Tax

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as below:

31.1 Income tax recognised in profit or loss

	As At March 31, 2019	**As At March 31, 2018**
Current tax		
a) In respect of current year	4,063.94	4,049.93
b) Adjustments in respect of current income tax of previous year	(41.29)	38.66
	4,022.65	4,088.59
Deferred tax		
In respect of current year	(179.39)	(274.89)
	(179.39)	(274.89)
Income tax expense recognised in the current year	**3,843.26**	**3,813.70**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As At March 31, 2019	**As At March 31, 2018**
Profit before tax	**12,629.30**	**11,674.72**
Tax at the Indian tax rate of 34.944% (March 31, 2018: 34.608%)	4,374.43	4,040.39
Adjustments in respect of current income tax of previous years	(41.29)	38.66
Effect of expenses that are not deductible in determining taxable profit	10.74	17.57
Weighted deduction for research and development expenses	(520.47)	(294.16)
Income not considered for tax purpose	(56.18)	(89.37)
Exceptional item not considered for tax purpose	-	20.31
Others	76.03	80.30
Tax expenses recognised in statement of profit or loss	**3,843.26**	**3,813.70**

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (March 31, 2018: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

31.2 Income tax recognised in other comprehensive income

	As At March 31, 2019	As At March 31, 2018
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	6.42	(2.24)
Total tax recognised in other comprehensive income	**6.42**	**(2.24)**
Bifurcation of the income tax recognised in other comprehensive income into : -		
- Items that will not be reclassified to profit or loss	6.42	(2.24)
	6.42	**(2.24)**

Note 32: Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

	As At March 31, 2019	As At March 31, 2018
Deferred tax assets	308.54	100.01
Deferred tax liabilities	903.74	881.03
Net deferred tax liabilities	**595.20**	**781.02**

	As At April 1, 2017	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2018
Deferred tax assets				
Defined benefit obligation	3.48	-	(2.24)	1.24
Expenses deductible in future years	291.04	(193.20)	-	97.84
Others	0.04	0.89	-	0.93
MAT credit entitlement	14.60	(14.60)	-	-
Total deferred tax assets	**309.16**	**(206.91)**	**(2.24)**	**100.01**
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	93.30	47.58	-	140.88
Fair value losses on derivatives not designated as hedged	38.54	(38.54)	-	-
Borrowing at effective interest rate	4.86	(4.86)	-	-
Property, plant and equipment and intangible assets	1,211.53	(471.38)	-	740.15
	1,348.23	**(467.20)**	**-**	**881.03**
Net deferred tax liabilities	**1,039.07**	**(260.29)**	**2.24**	**781.02**

	As At April 1, 2018	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2019
Deferred tax assets				
Defined benefit obligation	99.08	65.82	6.42	171.32
Expenses deductible in future years	-	136.29	-	136.29
Others	0.93	-	-	0.93
Total deferred tax assets	**100.01**	**202.11**	**6.42**	**308.54**
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	140.88	148.77	-	289.65
Property, plant and equipment and intangible assets	740.15	(126.06)	-	614.09
	881.03	**22.71**	**-**	**903.74**
Net deferred tax liabilities	**781.02**	**(179.40)**	**(6.42)**	**595.20**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 33: Earnings per share (EPS)	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	8,786.04	7,861.02
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) **(B)**	**59.46**	**59.46**
Basic earnings per share (in ₹) - (A/B)	**147.76**	**132.20**
Diluted earnings per share (in ₹) - (A/B)	**147.76**	**132.20**

Note 34 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund/ Pension Fund	353.84	333.39
Employer's Contribution to Employee State Insurance	53.40	59.76
Employer's Contribution to Employee Welfare Fund	0.78	0.85
Total	**408.02**	**394.00**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk

The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the year	1,055.52	286.30	880.43	252.59
Acquisition adjustment				
Add: Interest cost	79.16	21.47	61.63	17.68
Add: Current service cost	126.23	68.70	113.73	51.50
Add: Past service cost	-	-	26.51	-
Less: Benefits paid	(69.00)	(37.82)	(30.65)	(25.78)
Add: Actuarial (gain) / loss				
- Demographic assumptions	-	-	-	-
- Financial assumptions	15.17	2.37	(22.61)	(3.35)
- Experience adjustments	5.57	(4.42)	26.48	(6.34)
Present value of obligation as at the end of the year	**1,212.65**	**336.61**	**1,055.52**	**286.30**

d) Components of expenses recognised in the statement of profit or loss in respect of:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Current service cost	126.23	68.70	113.73	51.50
Past service cost	-	-	26.51	-
Interest cost	11.43	21.47	15.35	17.68
Remeasurements	-	-	-	-
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	(2.05)	-	(9.68)
Expenses recognised in profit/loss (Refer Note Below)	**137.66**	**88.12**	**155.59**	**59.50**

Note : Gratuity expense of ₹ 112.98 lakhs has been recognised in Statement of Profit & Loss and ₹ 18.25 Lakhs in R&D expenditure.

e) Components of expenses recognised in the other comprehensive income in respect of:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Actuarial (gains) / losses				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	15.17	2.37	(22.61)	(3.35)
- experience variance	5.57	(4.42)	26.48	(6.34)
Return on plan assets, excluding amount recognised in net interest expense	(2.37)	-	(10.35)	-
Component of defined benefit costs recognised in other comprehensive income	**18.38**	**(2.05)**	**(6.48)**	**(9.69)**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

f) Changes in the fair value of the plan assets are as follows:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	903.13	-	661.14	-
Add: Investment income	67.74	-	46.28	-
Add: Expected return on plan assets	2.37	-	10.35	-
Add: Employer's contribution	154.75	-	216.01	-
Add: Employee's contribution	-	-	-	-
Less: Benefits paid	(69.01)	-	(30.65)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-
Fair value of plan assets at the end	**1,058.98**	**-**	**903.13**	**-**

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

		As at March 31, 2019		As at March 31, 2018	
		Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions					
1	Discount rate	7.20%	7.20%	7.50%	7.50%
2	Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions					
1	Expected average remaining working lives of employees (years)	23.47	23.41	23.78	23.78
2	Retirement Age (years)	58	58	58	58
3	Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate					
1	Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%
2	Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3	Above 44 years	20.00%	20.00%	20.00%	20.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	1,212.65	336.61	1,055.52	286.30
Fair value of plan assets	1,058.98	-	903.13	-
Net (assets) / liability	**153.67**	**336.61**	**152.39**	**286.30**
Classification into long term and short term:				
- Classified as long term	-	133.57	-	205.17
- Classified as short term	153.67	203.04	152.39	81.13
Total	**153.67**	**336.61**	**152.39**	**286.30**

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
A. Discount rate				
Effect on defined benefit obligation due to 1% increase in Discount Rate	(49.10)	(7.73)	(42.40)	(6.40)
Effect on defined benefit obligation due to 1% decrease in Discount Rate	53.54	8.21	46.23	6.79
B. Salary escalation rate				
Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	49.53	7.92	43.24	6.57
Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(46.60)	(7.60)	(40.68)	(6.32)
C. Mortality rate *				
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-

* The effect of change in mortality rate considered as negligible.

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
1 year	230.83	133.57	202.99	115.59
2 to 5 years	565.12	152.17	492.51	128.98
More than 5 years	416.70	50.87	360.02	41.73

k) Enterprise best estimate of contribution during next year is ₹ 186.53 lakhs.

l) The acturial assumption of withdrawal rate, retirement age and expected average remaining working lives of empolyees are not considered significant.

m) There is no change in the method used in the preparing the sensitive analysis from prior years

Note 35 : List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
a) Relan Industrial Finance Ltd. b) Bharat Seats Ltd.	Associate Companies
a) N D R Auto Components Ltd.	Wholly Owned Subsidiary Company
a) Toyo Sharda India (P) Ltd. b) Toyota Boshoku Relan India (P) Ltd.	Joint Venture Companies

Name of the Related Party	Relationship
a) Mr. Kishan N Parikh (Chairman) b) Mrs. Sharda Relan (Whole Time Director) c) Mr. Ajay Relan (Managing Director)* d) Mr. Rohit Relan (Director) e) Mr. Bireswar Mitra (Executive Director) f) Mr. Ram Prakash Choudhary (Director) g) Mr. Ashok Kumar Bhattacharya (Director) h) Mr. Satindar Kumar Lambah (Director) i) Mr. Udayan Banerjee (Director) j) Mr. Vivek Bhatia (CFO) k) Mr. Nitin Vishnoi (Company Secretary)	Key Managerial Personnel
a) Mrs. Mala Relan (Wife of Managing Director) b) Mrs. Ritu Relan (Wife of Director)* c) Ms Aashita Relan (Daughter of Managing Director) d) Mr. Aashim Relan (Son of Managing Director) e) Mr. Rishabh Relan (Son of Director) f) Mr. Pranav Relan (Son of Director) g) Mr. Ayush Relan (Son of Director) h) Indira Choudhary (spouse of Director)	Relatives of Key Managerial Personnel
a) Sharda Enterprises b) N.D.Relan (HUF) c) Ajay Relan (HUF) d) Rohit Relan (HUF) e) Sharda Auto Solutions Pvt. Ltd. f) A.N.I Hospitality LLP g) Progressive Engineering & Automation Pvt. Ltd. h) Sharda CSR Foundation Trust	Enterprises over which Key Managerial Personnel are able to Exercise significant influence

(Rs. in Lakhs)

S. No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	**Sales during the Year**					
	- Bharat Seats Ltd.	-	24265.92	-	-	-
		-	(37921.50)	-	-	-
ii)	**Loan repaid during the Year**					
	- Ajay Relan*	-	-	-	-	-
		-	-	-	(1084.72)	-
	- Rohit Relan	-	-	-	-	-
		-	-	-	(1986.62)	-
	- Sharda Relan	-	-	-	-	-
		-	-	-	(33.70)	-

S. No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
iii)	**Interest paid on loans during the Year**					
	- Ajay Relan*	-	-	-	-	-
		-	-	-	(71.19)	-
	- Rohit Relan	-	-	-	-	-
		-	-	-	(22.13)	-
	- Sharda Relan	-	-	-	-	-
		-	-	-	(1.30)	-
iv)	**Rent paid during the Year**					
	-Sharda Enterprises	-	-	155.76	-	-
		-	-	(154.77)	-	-
v)	**Remuneration paid**					
	- Ajay Relan*	-	-	-	580.03	-
		-	-	-	(506.05)	-
	-Sharda Relan	-	-	-	488.33	-
		-	-	-	(463.60)	-
	-Bireswar Mitra	-	-	-	21.55	-
		-	-	-	(21.76)	-
vi)	**Salary Paid**					
	-Nitin Vishnoi	-	-	-	28.43	-
		-	-	-	(17.89)	-
	-Mala Relan	-	-	-	-	17.62
		-	-	-	-	(13.61)
	-Vivek Bhatia	-	-	-	110.43	-
		-	-	-	(100.12)	-
	-Aashim Relan	-	-	-	-	153.29
		-	-	-	-	(128.60)
vii)	**Reimbursements of Expenses**					
	-Bireswar Mitra	-	-	-	4.66	-
		-	-	-	(4.69)	-
	-Nitin Vishnoi	-	-	-	9.20	-
		-	-	-	(6.88)	-
	-Vivek Bhatia	-	-	-	6.84	-
		-	-	-	(7.27)	-
viii)	**Dividend Paid**					
	- Ajay Relan*	-	-	-	120.01	-
		-	-	-	(240.50)	-
	- Nitin Vishnoi	-	-	-	0.06	-
		-	-	-	(0.13)	-
	- Bireswar Mitra	-	-	-	0.04	-
		-	-	-	(0.07)	-
	-K.N. Parikh	-	-	-	0.01	-
		-	-	-	(0.02)	-
	-Rohit Relan	-	-	-	26.80	-
		-	-	-	(53.60)	-

S. No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
	-Aashim Relan	-	-	-	-	19.03
		-	-	-	-	(37.66)
	-Ayush Relan	-	-	-	-	4.27
		-	-	-	-	(10.78)
	-Pranav Relan	-	-	-	-	5.77
		-	-	-	-	(13.83)
	-Rishabh Relan	-	-	-	-	7.59
		-	-	-	-	(17.50)
	-Mala Relan	-	-	-	-	32.55
		-	-	-	-	(63.39)
	-Ritu Relan*	-	-	-	-	46.40
		-	-	-	-	(92.82)
	-Aashita Relan	-	-	-	-	1.17
		-	-	-	-	(2.06)
	-Ajay Relan(HUF)	-	-	1.20	-	-
		-	-	(2.40)	-	-
	-ND Relan (HUF)	-	-	1.88	-	-
		-	-	(3.75)	-	-
	-Rohit Relan (HUF)	-	-	2.78	-	-
		-	-	(5.55)	-	-
	-RIFL	-	0.06	-	-	-
		-	(0.01)	-	-	-
	-Indira Choudhary	-	-	-	-	3.28
		-	-	-	-	(6.56)
ix)	**Sitting Fee Paid**					
	-Kishan N Parikh	-	-	-	4.40	-
		-	-	-	(3.60)	-
	-Rohit Relan	-	-	-	1.60	-
		-	-	-	(0.80)	-
	-Ram Prakash Choudhary	-	-	-	2.80	-
		-	-	-	(2.60)	-
	-Ashok Kumar Bhattacharya	-	-	-	3.20	-
		-	-	-	(1.60)	-
	-Satinder Kumar Lambah	-	-	-	5.20	-
		-	-	-	(4.41)	-
	-Udayan Banerjee	-	-	-	1.00	-
		-	-	-	-	-
x)	**Sale of Fixed Assets**					
	-Bharat Seats Limited	-	57.90	-	-	-
		-	(185.44)	-	-	-
xi)	**Expenses paid**					
	- A.N.I Hospitality LLP	-	-	-	-	-
		-	-	(0.73)	-	-
xii)	**Advance Received from Customers**					
	Bharat Seats Limited (Tooling Advance)	-	28.40	-	-	-
		-	-	-	-	-

S. No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
xiii)	**Purchases during the year**					
	Bharat Seats Ltd.	-	245.10	-	-	-
		-	(259.39)	-	-	-
	-Toyo Sharda India (P) Ltd.	218.40	-	-	-	-
		(545.35)	-	-	-	-
xiv)	**Advance Adjusted**					
	-Bharat Seats Limited	-	28.40	-	-	-
		-	-	-	-	-
xv)	**Dividend Received**					
	-Bharat Seats Limited	-	90.00	-	-	-
		-	(81.00)	-	-	-
	-Toyo Sharda India (P) Ltd.	3.75	-	-	-	-
		-	-	-	-	-
xvi)	**CSR Expenditure paid**					
	Sharda CSR Foundation Trust	-	-	12.90	-	-
		-	-	(10.30)	-	-
xvii)	**Investment in Shares**					
	N D R Auto Components Ltd.		1.00	-	-	-
			-	-	-	-
xvi)	**Net Outstanding Balance payable as on 31.03.2019**					
	- N.D. Relan	-	-	-	-	-
		-	-	-	-	-
	- Ajay Relan*	-	-	-	53.83	-
		-	-	-	(161.16)	-
	-Bireswar Mitra	-	-	-	1.35	-
		-	-	-	-	-
	-Nitin Vishnoi	-	-	-	6.77	-
		-	-	-	-	-
	-Sharda Relan	-	-	-	43.40	-
		-	-	-	(128.93)	-
	-Mala Relan	-	-	-	0.83	-
		-	-	-	-	-
	-Aashim Relan	-	-	-	12.56	-
		-	-	-	-	-
	-Toyo Sharda India (P) Ltd.	1.32	-	-	-	-
		(46.05)	-	-	-	-
	-Toyota Boshoku Relan India (P) Ltd.	-	-	-	-	-
		(98.85)	-	-	-	-
xvii)	**Balance Receivable as on 31.03.2019**					
	-Bharat Seats Limited	-	685.92	-	-	-
		-	(3074.01)	-	-	-
	-Toyota Boshoku Relan India (P) Ltd.	8.62	-	-	-	-
		-	-	-	-	-
	N D R Auto Components Ltd.	-	0.27	-	-	-
		-	-	-	-	-

* The transaction belonging to Promoter/Promoter Group holding 10% or more shares in the Company.

1) Figures in bracket represents figures for the year ended 31st March, 2018.

2) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 36: Operating Lease Arrangements

The Company has entered into operating lease arrangements for various lands and building. These arrangements are non-cancellable in nature and range between five to twenty years and no specific obligation for renewal. There is no restriction imposed in lease arrangement. Lease rental amounting to ₹ 274.04 lakhs (March 31, 2018: ₹ 304.34 lakhs) has been expensed out in Statement of Profit and Loss in note 29 as 'Rent, Rates & Taxes' under 'Other expenses'. The future minimum lease commitments under non-cancellable operating leases are as under:

Particulars	As At March 31, 2019	As At March 31, 2018
Not Later Than 1 year	218.04	129.00
Later than 1 year but not later than 5 years	194.58	337.00
More than 5 years	248.44	237.86
Total	**661.06**	**703.86**

Note 37: Financial and Derivative Instruments	As At March 31, 2019		As At March 31, 2018	
Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :				
Foreign currency exposure that are not hedged by derivative instruments (Sell)	USD 11.24 lakhs	777.83	USD 15.88 lakhs	1,032.76
		777.83		1,032.76
Foreign currency exposure that are not hedged by derivative instruments (Buy)	USD 40.55 lakhs	2,804.54	USD 25.68 lakhs	1,670.05
	EURO 0.82 lakhs	64.00	EURO 0.06 lakhs	5.22
	JPY 0.25 lakhs	0.16	JPY 0.25 lakhs	0.15
		2,868.70		1,675.42

Note 38 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
2. Major Customer: Revenue from 3 customers of the Company's manufacturing & trading business are ₹ 84,935.68 lakhs (March 31, 2018 ₹ 92,878.58 lakhs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2019 and March 31, 2018.

Note 39 : Financial instruments - fair values and risk management

39.1 Financial instruments by category and fair values

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Non-current						
Investments in equity instrument *	-	-	1.75	-	-	1.75
Other financial assets						
- Security deposits	-	-	302.04	-	-	279.70
- Deposits with original maturity of more than 12 months	-	-	5.00	-	-	5.00
Current						
Investments in mutual fund & tax free bond	8,235.82	-	-	10,407.08	-	-

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Trade receivables	-	-	13,211.46	-	-	12,240.73
Cash and cash equivalents	-	-	7,042.48	-	-	2,200.73
Bank balances other than above	-	-	7,070.79	-	-	5,170.17
Other financial assets						
- Staff advance	-	-	21.24	-	-	25.72
- Interest accrued on fixed deposits	-	-	153.34	-	-	125.36
- Interest accrued on others	-	-	4.96	-	-	0.57
- Receivable from related parties	-	-	8.62	-	-	8.62
Total	**8,235.82**	**-**	**27,821.68**	**10,407.08**	**-**	**20,058.35**
Financial liabilities						
Current						
Trade payables	-	-	19,116.32	-	-	18,291.78
Other financial liabilities						
- Interest accrued	-	-	0.00	-	-	-
- Unclaimed dividend	-	-	39.70	-	-	41.96
- Security deposit	-	-	34.30	-	-	37.05
- Creditors for capital goods	-	-	999.54	-	-	437.28
Total	**-**	**-**	**20,189.86**	**-**	**-**	**18,808.07**

* Investment value excludes investment in associates of ₹139 lakhs (March 31, 2018 : ₹ 139 lakhs), investment in joint ventures of ₹ 75.50 lakhs (March 31, 2018 : ₹ 75.50 lakhs), and investment in Subsidiary of ₹ 1 Lakh (March 31, 2018 : NIL), which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

Note: The directors consider that the carrying amounts of investments in equity shares of other and in trust, which have been recognised in the financial statements, as approximate their fair values.

Financial assets and liabilities measured at fair value - recurring fair value measurements (refer note 3.12)

	As At March 31, 2019	As At \ March 31, 2018
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in mutual fund	8,235.82	10,407.08
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	**8,235.82**	**10,407.08**

39.2 Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of options, cross currency and interest rate swap contract & investments in mutual funds.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are investments in unquoted equity instruments and other investment.

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds: Fair value is determined by reference to quotes, i.e. net asset value (NAV) for investments in mutual funds as declared.

(ii) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.

(iii) Fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

(iv) Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

(v) Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant, as the discount rate has not changed significantly.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39.3 Capital management

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows:

	March 31, 2019	March 31, 2018
Total liabilities	24,635.90	23,177.53
Less: Cash and cash equivalents	7,042.48	2,200.73
Adjusted net debt	17,593.42	20,976.80
Total equity	43,828.58	35,502.76
Adjusted net debt to equity ratio	0.40	0.59

39.4 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk

- Credit risk

- Liquidity risk

Risk management framework:

The Company's principal financial liabilities other than derivatives comprise trade and other payables, borrowings, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury deaprtment which has appropriate skills, experience and supervision. The policy provides that the Company should hedge through prescribed instruments to cover all possible risks of foreign currency outstanding after considering the natural hedge available and customer arrangements. It also prohibits any hedging for speculative transactions.

A. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar. The Company uses options, cross currency and interest rate swap contracts to hedge its currency risk on borrowings as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

Exposure to currency risk:

(Amount in Lakhs except otherwise specified)

March 31, 2019	USD	EURO	JPY
Foreign currency exposure not hedged (Sell)	11.24	-	-
Foreign currency exposure not hedged (Buy)	40.55	0.82	0.25
Derivative contract outstanding	-	-	-

March 31, 2018	USD	EURO	JPY
Foreign currency exposure not hedged (Sell)	15.88	-	-
Foreign currency exposure not hedged (Buy)	25.68	0.06	0.25
Derivative contract outstanding	-	-	-

Sensitivity analysis:

A reasonably possible strengthening (weakening) of USD against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The company has arrangements with major customers on quarterly basis for settlement of exchange fluctuations based on average exchange rate for the previous quarter.

	(Profit) / Loss	
March 31, 2019	**Strengthening**	**Weakening**
USD (5% movement)	(140.23)	140.23
EUR (5% movement)	(3.20)	3.20
JPY (5% movement)	(0.01)	0.01
March 31, 2018		
USD (5% movement)	(31.86)	31.86
EUR (5% movement)	(0.26)	0.26
JPY (5% movement)	(0.01)	0.01

USD: US Dollar, EUR: Euro and JPY: Japan Yen

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers, foreign exchange transactions, deposits with banks and other financial instruments. The carrying amount of financial assets represent the maximum credit risk exposure.

i) Trade receivables

The concentration of credit risk in trade receivables of the company is limited.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customer:

- Original equipment manufacturers (OEMs)

Company has established a policy under which each new OEMs are analysed individually for creditworthiness before goods are sold to them. The Company's review includes due diligence by analysing financial statements, industry information, promoter's background and in some cases bank references. In case of sales, the Company has limited its credit exposure to OEMs and dealers by providing a maximum payment period up to 60 days.

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2018	-	12,224.06	16.67	12,240.73
Trade Receivables as of March 31, 2019	-	13,198.15	13.32	13,211.46

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

However,Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

	As at March 31, 2019	As at March 31, 2018
Investments	8,453.07	10,623.33
Security deposits	302.04	279.70
Deposit with original maturity of more than 12 months	5.00	5.00
Interest accrued	153.34	125.36
Staff Advance	21.24	25.72
Interest accrued others	4.96	0.57
Receivable from related parties	8.62	8.62
Total	**8,948.27**	**11,068.30**

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's primary sources of liquidity include cash deposits,short term investments in mutual funds, borrowings, undrawn committed credit facilities and cash flow from operating activities. The Company seeks to increase income from its existing operations by maintaining quality standards for its goods and services while reducing the related costs and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. However, material changes in the factors described above may adversely affect the Company's net cash flows.

As on March 31, 2019, Company doesn't have any outstanding borrowings.

Exposure to liquidity risk:

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

March 31, 2019	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	999.54	999.54	999.54	-	-
Trade payables	19,116.32	19,116.32	19,116.32	-	-
Unclaimed dividends	39.70	39.70	39.70	-	-
Security deposit	34.30	34.30	34.30	-	-
	20,189.86	20,189.86	20,189.86	-	-

March 31, 2018	Contractual cash flow				
	Carrying amount	Total	Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
Creditors for capital goods	437.28	437.28	437.28	-	-
Trade payables	18,291.78	18,291.78	18,291.78	-	-
Unclaimed dividends	41.96	41.96	41.96	-	-
Security deposit	37.05	37.05	37.05	-	-
	18,808.07	18,808.07	18,808.07	-	-

Note 40: De-merger of Automobile Seating Business: With the view to create a separate and focused entity to support the 'Automobile Seating Business' of the Company, and to capitalize the growth opportunities in a focused manner, the Board of Directors at its meeting held on April 5, 2019 approved a Scheme of arrangement between the Company and NDR Auto Components Limited (wholly owned subsidiary company) and their respective shareholders and creditors u/s 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme"), which is subject to requisite approval(s). The Scheme, inter-alia, envisages demerger of 'Automobile Seating Business' of the Company and transfer and vesting thereof into NDR Auto Components Limited, on a 'going concern' basis w.e.f. December 31, 2018 i.e. appointed date.

Note 41: In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 42: Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

For and on behalf of the Board of Directors of
Sharda Motor Industries Limited

(Kishan N. Parikh)	**(Sharda Relan)**	**(Ajay Relan)**
Chairperson	Co-Chairperson	Managing Director
DIN 00453209	DIN 00252181	DIN 00257584
Place of Signature: New Delhi	**(Vivek Bhatia)**	**(Nitin Vishnoi)**
Date: May 27, 2019	President & CFO	Company Secretary
	M.No. 89846	M.No. F3632

INDEPENDENT AUDITOR'S REPORT

To the Members of Sharda Motor Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sharda Motor Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as the "Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Completeness and measurement of Contingent Liabilities arising from uncertain tax positions and disputed matters** In the consolidated financial statements, contingent liabilities arising from uncertain tax positions and disputed matters as reported under the Note No. 20.1.(a) to the financial statements for the year ended 31.03.2019. From our point of view, this matter was of particular importance for our audit because the recognition and measurement of this material item to a large extent based on the estimates and assumptions made by the management of the Group.	Our audit procedure included the following: • We discussed with the management regarding the internal control system for identifying and estimating such contingent liabilities, as well as the reporting of such contingent liabilities in the consolidated financial statements. • Obtained a detailed understanding and assumptions applied for considering these matters as contingent liabilities through discussion with the management. Assessed management's estimate of the possible outcome of the disputed cases. • In addition, we engaged our internal tax expert to assess the appropriateness of Group's assumption and explanations for these matters. • In light of the above, we reviewed and verified the adequacy of disclosures made for these matters in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group, its associates and jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company, its subsidiary company, its associates and jointly controlled entities which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) The consolidated financial statements includes the Group's share of net profit (and other comprehensive income) of Rs. 618.59 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

(b) We did not audit the financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets of Rs.1 lakhs as at 31st March, 2019, Nil revenues and net cash flows amounting to Rs.1 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs.160.33 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate and two jointly controlled entities, whose financial statements/financial information have not been audited by us. These financial statements/financial information 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 subsidiary, associate and jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, associate and jointly controlled entities, is based solely on such unaudited financial statements/financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of one associate company and on the basis of the representation received from the management in respect of one associate and two joint ventures, which are companies incorporated in India, none of the directors of the Group, its associates and jointly controlled entities is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of internal financial controls with reference to the financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities-Refer Note 20.1 to the consolidated financial statements.

ii. The Group, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associates and jointly controlled entities company incorporated in India.

For Gupta Vigg & Co. Chartered Accountants
Firm Registration Number: 001393N

(CA. Deepak Pokhriyal) Partner
Membership Number: 524778

Place of Signature: New Delhi
Date: May 27, 2019

Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of Sharda Motor Industries Limited

Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of Sharda Motor Industries Limited

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Sharda Motor Industries Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of Sharda Motor Industries Limited (hereinafter referred to as "the Company" or the "Holding Company") and its subsidiary company, its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, its associates and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 audit evidence obtained by the other auditor in terms of their reports and the representation received from the management for unaudited companies 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the management representation for un-audited companies referred to in the Other Matters paragraph below, the Holding Company, its subsidiary company, its associates and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, which is company incorporated in India is based solely on the corresponding report of the other auditor and one subsidiary company, one associate and two joint ventures, which are companies incorporated in India, is based solely on the representation received from the management for such companies. Our opinion is not modified in respect of this matter.

For Gupta Vigg & Co. Chartered Accountants
Firm Registration Number: 001393N

(CA. Deepak Pokhriyal) Partner
Membership Number: 524778

Place of Signature: New Delhi
Date: May 27, 2019

Consolidated Balance Sheet as at March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Note No	As At March 31, 2019	As At March 31, 2018
I. Assets			
Non-current assets			
(a) Property, plant and equipment	4	19,239.26	17,472.11
(b) Capital work in progress	5	26.84	36.28
(c) Intangible assets	6	176.14	440.00
(d) Financial assets			
(i) Investments	7	3,851.04	3,165.87
(ii) Other financial assets	8	307.04	284.70
(e) Non-current tax asset (net)	9	74.57	50.06
(f) Other non-current assets	10	1,833.96	872.18
Total non-current assets		**25,508.85**	**22,321.20**
Current assets			
(a) Inventories	11	10,310.04	8,562.04
(b) Financial assets			
(i) Investments	7	8,235.82	10,407.08
(ii) Trade receivables	12	13,211.46	12,240.73
(iii) Cash and cash equivalents	13	7,043.48	2,200.73
(iv) Bank balances other than (iii) above	14	7,070.79	5,170.17
(v) Other financial assets	8	188.16	160.27
(c) Other current assets	10	510.83	548.11
(d) Asset held for sale	30	19.57	19.58
Total current assets		**46,590.15**	**39,308.71**
Total assets		**72,099.00**	**61,629.91**
II. Equity and liabilities			
Equity			
(a) Equity share capital	15	594.63	594.63
(b) Other equity	16	46,867.97	37,857.76
Total equity		**47,462.60**	**38,452.39**
Liabilities			
Non- current liabilities			
(a) Provisions	20	524.03	423.43
(b) Deferred tax liabilities (net)	32	595.20	781.02
Total non- current liabilities		**1,119.23**	**1,204.45**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
- Total outstanding dues of micro and small enterprises		345.24	-
- Total outstanding dues of creditors other than micro and small enterprises		18,771.53	18,291.78
(ii) Other financial liabilities	18	1,075.19	516.29
(b) Other current liabilities	19	2,859.94	2,762.82
(c) Provisions	20	465.27	402.18
Total current liabilities		**23,517.17**	**21,973.07**
Total liabilities		**24,636.40**	**23,177.52**
Total equity and liabilities		**72,099.00**	**61,629.91**
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Place of Signature: New Delhi
Date : May 27, 2019

Consolidated Statement of profit and loss for year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	21	113,987.27	120,425.88
II	Other income	22	2,103.96	1,699.30
III	**Total income (I+II)**		**116,091.23**	**122,125.18**
IV	Expenses			
	(a) Cost of materials consumed	23	70,971.10	73,125.90
	(b) Purchases of stock-in-trade	24	6,989.97	6,060.51
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	25	(325.78)	(231.00)
	(d) Excise duty on sale of goods		-	4,881.31
	(e) Employee benefits expense	26	8,578.33	8,203.22
	(f) Finance costs	27	4.59	213.00
	(g) Depreciation and amortization expense	28	4,096.83	4,377.89
	(h) Other expenses	29	13,241.42	13,841.90
	Total expenses		**103,556.46**	**110,472.73**
V	**Profit before exceptional items and tax (III-IV)**		**12,534.77**	**11,652.45**
VI	**Exceptional items**	30	-	58.73
VII	**Profit before tax (V-VI)**		**12,534.77**	**11,593.72**
VIII	**Tax expense:**			
	(a) Current tax	31.1	4,022.65	4,088.59
	(b) Deferred tax	31.1	(179.39)	(274.89)
	Total tax expense		**3,843.26**	**3,813.70**
IX	**Profit for the year (VII-VIII)**		**8,691.51**	**7,780.02**
X	Share of profit/(loss) of associates (net of tax)		674.24	879.32
XI	Share of profit/(loss) of joint ventures (net of tax)		99.78	137.78
XII	**Profit for the year (IX+X+XI)**		**9,465.53**	**8,797.12**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement gains/ (losses) on defined benefit plans		(11.01)	(1.12)
	- Income tax on items that will not be reclassified to profit or loss		3.96	0.90
	Total other comprehensive income for the year, net of tax		**(7.05)**	**(0.22)**
XI	**Total comprehensive income for the year, net of tax (IX+X)**		**9,458.48**	**8,796.90**
XII	**Earnings per share: (Face value ₹ 10 per share)**	33		
	1) Basic (amount in ₹)		159.18	147.94
	2) Diluted (amount in ₹)		159.18	147.94
Summary of Significant Accounting Policies		3		

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

Place of Signature: New Delhi
Date : May 27, 2019

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Vivek Bhatia)
President & CFO
M.No. 89846

For & on behalf of Board of Directors of Sharda Motor Industries Limited

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Consolidated Statement of changes in equity for the year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

A. Equity Share Capital	Amount
Balance as at March 31, 2017	**594.63**
Changes during the year	-
Balance as at March 31, 2018	**594.63**
Changes during the year	-
Balance as at March 31, 2019	**594.63**

B. Other Equity

	Reserve & Surplus				
	Capital Reserve	General Reserve	Retained earnings	Other comprehensive income- Remeasurement of defined benefit obligation	Total
Balance as at March 31, 2017	**0.20**	**21,025.68**	**8,936.08**	**(6.49)**	**29,955.47**
Profit for the year	-	-	8,797.11	-	8,797.11
Other comprehensive income for the year, net of tax	-	-	-	(0.22)	(0.22)
Total Comprehensive Income	**-**	**-**	**8,797.11**	**(0.22)**	**8,796.89**
Payment of Dividend	-	-	(743.27)	-	(743.27)
Dividend Distribution Tax	-	-	(151.33)	-	(151.33)
Balance as at March 31, 2018	**0.20**	**21,025.68**	**16,838.59**	**(6.71)**	**37,857.76**
Profit for the year	-	-	9,465.53	-	9,465.53
Other comprehensive income for the year, net of tax	-	-	-	(7.05)	(7.05)
Total Comprehensive Income	**-**	**-**	**9,465.53**	**(7.05)**	**9,458.48**
Payment of Dividend	-	-	(371.65)	-	(371.65)
Dividend Distribution Tax	-	-	(76.61)	-	(76.61)
Balance as at March 31, 2019	**0.20**	**21,025.68**	**25,855.86**	**(13.76)**	**46,867.98**
Summary of Significant Accounting Policies	3				

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

(Kishan N. Parikh)
Chairperson
DIN 00453209

(Sharda Relan)
Co-Chairperson
DIN 00252181

(Ajay Relan)
Managing Director
DIN 00257584

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Place of Signature: New Delhi
Date : May 27, 2019

Consolidated Cash Flow Statement for the year ended March 31, 2019

(Currency : ₹ in Lakhs except otherwise specified)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (loss) before tax	12,534.77	11,593.72
	Adjustments for:		
	Depreciation and amortization	4,096.83	4,377.89
	Finance cost	4.59	213.00
	Interest income	(459.03)	(365.13)
	Interest income under effective interest rate method on security deposits at amortised cost	(0.83)	(0.66)
	Dividend Income - Non-current investment	-	-
	Dividend Income - Current investment	(61.22)	(177.24)
	Loss/(Gain) on sale of financial asset measured at fair value through profit and loss (FVTPL)	(352.66)	(346.06)
	Diminution in value of asset held for sale	-	58.73
	Property, plant and equipment written off	-	16.90
	Provision for doubtful debts	-	2.51
	Loss / (Gain) on sale of property, plant and equipment (net)	(263.40)	(352.18)
	Fair value gain on investment in mutual fund designated at FVTPL	(366.24)	(193.69)
	Unrealized loss/(gain) on reinstatement of foreign exchange (net)	47.88	(16.74)
	Fair value losses on derivatives not designated as hedged	-	111.36
	Operating profit / (loss) before adjustments	**15,180.69**	**14,922.39**
	Adjustments for:		
	Decrease/(increase) in inventories	(1,748.00)	(1,378.35)
	Decrease/(increase) in trade receivables	(983.64)	(1,513.76)
	Decrease/(increase) in other financial assets	(15.73)	989.61
	Decrease/(increase) in other assets	37.27	77.86
	Increase in trade payables	790.01	1,883.20
	Increase in other liabilities	97.12	776.97
	Increase in other financial liabilities	(1.10)	(115.59)
	Increase/(decrease) in provisions	145.32	(26.71)
	Cash generated from operating activities	**13,501.95**	**15,615.62**
	Taxes (paid) / refund	(4,047.16)	(4,037.92)
	Net cash from operating activities - (A)	**9,454.80**	**11,577.70**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition of property, plant and equipment including capital work-in-progress	(6,404.08)	(2,520.70)
	Acquisition of intangible assets including intangible assets under development	(45.40)	(55.82)
	Proceeds from sale of property, plant and equipment	721.39	761.27
	Payments for purchase of investments	(19,913.33)	(15,922.93)
	Proceeds from sale of investments	22,897.24	13,931.96
	Bank deposits (made)/proceeds	(1,900.62)	233.66
	Dividend Income - Non-current investment	-	-
	Dividend Income - Current investment	61.22	177.24
	Interest received	426.66	388.61
	Net cash used in investing activities - (B)	**(4,156.91)**	**(3,006.71)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of borrowings	-	(5,794.70)
	Finance cost paid	(4.59)	(259.63)
	Dividend paid (including corporate dividend tax)	(450.52)	(898.29)
	Net cash from financing activities - (C)	**(455.11)**	**(6,952.62)**
	Net increase / (decrease) in cash and cash equivalents - (A+B+C)	**4,842.76**	**1,618.37**
	Cash and cash equivalents at the beginning of the year	2,200.73	582.36
	Cash and cash equivalents at the end of the year [refer note 13]	**7,043.49**	**2,200.73**

Note

i) The above cash flow statement has been prepared under the indirect method as set out in the Ind AS-7- "Statement of cash flow".

ii) Cash and cash equivalents consist of cash in hand and balances with scheduled banks in current accounts or deposits with original maturity of three months or less (refer note 13).

iii) For components of cash and cash equivalents refer note no.13

As per our Report of even date attached

For Gupta Vigg & Co.
Chartered Accountants
Firm's Registration Number 001393N

For & on behalf of Board of Directors of
Sharda Motor Industries Limited

(CA. Deepak Pokhriyal)
Partner
Membership Number 524778

(Kishan N. Parikh)
Chairperson
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(Sharda Relan)
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(Ajay Relan)
Managing Director
DIN 00257584

(Vivek Bhatia)
President & CFO
M.No. 89846

(Nitin Vishnoi)
Company Secretary
M.No. F3632

Place of Signature: New Delhi
Date : May 27, 2019

Notes to consolidated financial statements for the year ended March 31, 2019

Note 1: Group Information

Sharda Motor Industries Limited ("the Company" or "Holding Company"), its associates, subsidiaries and its joint venture (Jointly referred to as the "Group' herein under) considered in these consolidated financial statements. The Company is primarily engaged in the manufacturing and assembly of Auto Components and White Goods Components. The Company serves as a 'Tier I' vendor for some of the major Automobiles and Electronics Original Equipment Manufacturers (OEMs). It has got a 'State of Art' manufacturing facilities across thirteen locations in seven states of India. The Company's production range includes Exhaust Systems, Catalytic Convertors, Suspension Systems, Sheet Metal Components and Plastic parts for the Automotive and White Goods Industries. (For details refer Note-45)

Note 2: Basis of preparation of Financial statements

2.1 Statement of Compliance:

The consolidated financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on May 27, 2019.

2.2 Basis of preparation and presentation:

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for certain financial assets and liabilities and net defined benefits (assets)/liability which are measured at fair value and fair value of the plan assets less present value of defined benefits obligations respectively at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below.

2.3 Basis of consolidation and equity accounting:

(i) Subsidiary

Subsidiary is the entity controlled by the holding company. The holding company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The group combine the financials statements of the holding and its subsidiary line by line adding together line items of assets, liabilities, equity, income and expenses.

(ii) Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see note (iii) below), after initially being recognised at cost.

(iii) Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method of accounting (see note(iii) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

(v) To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner

as the Company's individual financial statements. Inconsistency, if any, between the accounting policies of the associates and joint ventures have been disclosed in the notes to accounts.

2.4 Going concern:

The board of directors have considered the financial position of the Company at March, 31 2019 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these consolidated financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

2.5 Use of estimates and judgments:

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements:

- useful life of Property, plant and equipment
- useful life of Intangible assets
- provisions and contingent liabilities
- income taxes
- lease classification and judgment regarding whether an arrangement contain a lease

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2019:

- measurement of defined benefit obligations: key actuarial assumptions
- recognition and measurement of provision for warranties, provision for litigations and contingent liabilities: key assumptions about the likelihood and magnitude of an outflow of resources
- the liability for site restoration is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate.

2.6 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. The directors are responsible for overseeing all significant fair value measurements, including Level 3 fair values. Directors regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

2.7 Operating cycle:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Note 3: Summary of Significant accounting policies

3.1 Revenue recognition and presentation:

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The sales are accounted for net of trade discount, sales tax and sales return. Export sales are recognized at the time of the clearance of goods and approval of Goverment authorities.Sale includes revision in prices received from customers with retrospective effect.

Revenue arises mainly from the sale of manufactured and traded goods

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Rendering of Services

Revenue from services is recognised as and when the services are rendered and on the basis of contractual terms with the parties.

Dividend and Interest Income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

3.2 Recognition of interest expense:

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments throughout the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.3 Property, Plant and Equipment (PPE):

Items of PPE are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress includes cost of property, plant and equipment (including related expenditure) under installation/under development as at the balance sheet date.

An items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continous use of assets. Any gain or loss on disposal or retirement of an item of property, plant and equipment determined as the difference between the sale proceeds and the carrying amount of assets are recognized in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation: Depreciation is provided using the written down value based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 and after retaining the residual value of 5% of the original cost of the asset in the said Schedule

except in respect of the following cases, where useful life of assets is different than those prescribed in Schedule II based on the technical estimate made by the management.

Asset	Estimated Useful Life (Years)	Useful Life as per Companies Act, 2013
Plant & Machinery	20	15
Electrical Fittings	15	10
Tools & Dies	10	Not Specified

The residual value and useful life and method of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%

3.4 Intangible assets:

Intangible assets comprise of computer software (which does not form an integral part of related hardware), Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. Following initial recognition principle, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets under development include cost of assets under installation/under development as at the balance sheet date.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortisation method and useful lives: Intangible assets other than Technical Know-How and Guidance Fee are amortized on a straight line basis over the estimated life of three years and Technical Know-How and Guidance Fee is amortised on straight line method over the estimated life of 6 years from the date of capitalisation.

3.5 Research & Development Costs:

a) The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. However, expenditure on development activities, whereby research findings are applied to a future plan or design for the production of new or substantially improved products and process and has got future benefits is capitalized. Such capitalization includes cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the assets for its intended use.

b) Capitalized development expenditure is stated at cost less accumulated depreciation and impairment losses. Depreciation on such capital assets is followed in accordance with the Company's Policy.

3.6 Impairment of tangible and intangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.7 Borrowing costs:

Borrowing costs directly attributable to acquisition or construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets are deducted from the borrowing costs eligible for capitalisation.

3.8 Foreign currencies:

Functional and presentational currency

The Company's consolidated financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ` lakhs except where otherwise stated.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate prevailing on the date when the transaction first qualifies for recognition. Exchange differences arising on foreign currency transactions settled during the year are recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated

into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

The Company has one branch office outside India whose financial statement are translated into Indian Rupees as if the transaction of the foreign operation were those of Company itself. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in profit or loss. Non-monetary assets are recorded at the rates prevailing at the rates on the date of the transaction.

3.9. Inventories:

Raw material, Consumable Stores and spare parts are valued at lower of cost or net realizable value. Cost includes purchase price (excluding taxes which are subsequently recoverable by the enterprise from the Concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, FIFO method is used.

Work in progress, manufactured finished goods and traded goods are valued at lower of cost or net realizable value. The comparison of cost and net realizable value is made on an item by item basis. Cost of work in progress and manufactured finished goods is determined on FIFO basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Stock in transit is valued at lower of cost or net realizable value. Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

3.10 Leases:

Determining whether arrangement contains a lease.

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

Lease payments

Payments made under operating leases are recognised in statement of profit or loss on a straight line basis over the term of the lease unless such payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expenses over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.11 Employee Benefits:

Short Term Employee Benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences, bonus and ex-gratia etc. are recognised in statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset /prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Post-Employment Benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts.

Retirement benefits in the form of Provident Fund and employee state insurance are a defined contribution scheme and contributions paid/payable towards these funds are recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plan

The Company has Defined benefits plans namely Gratuity for employees. The gratuity fund are recognised by the income tax authorities and are administered through Company's trusts where a policy with 'Life Insurance Corporation of India' has been taken to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Other Long Term Employee Benefits

Liabilities for leave encashment / compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

3.12 Provisions, Contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Litigations: Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognised in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the

Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are disclosed when there is a possible asset that arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly with in the control of the Company.

3.13 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial asset and financial liabilities are initially measured at fair value. Transaction cost which are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

(a) Financial Assets

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirely at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

Investments in equity instrument at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instrument. This election is not permitted if the equity instrument is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognised in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has an equity investment in an entity which is not held for trading. The Company has elected to measure this investment at amortised cost. Dividend, if any, on this investments is recognised in profit or loss.

Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in mutual funds are measured at fair value through profit and loss. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to:

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or fair value through profit or loss the exchange differences are recognised in profit or loss except for those which are designated as hedge instrument in a hedging relationship.

Further change in the carrying amount of investments in equity instruments at fair value through other comprehensive income relating to changes in foreign currency rates are recognised in other comprehensive income.

(b) Financial liabilities and equity instruments

Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

3.14 Derivative financial instruments:

The Company enters into foreign exchange forward contracts and certain other derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument which is recognised in other comprehensive income (net of tax) and presented as a separate component of equity which is later reclassified to profit or loss when the hedge item affects profit or loss.

3.15 Taxes:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

3.16 Operating segment:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment by the Company's CODM.

3.17 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.18 Dividends;

Final dividends, if declared/recmended on shares are recorded on the date of approval by the shareholders of the Company.

3.19 Assets Held for Sale;

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.20 Earnings per share (EPS):

Basic earnings per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

3.21 Recent accounting pronouncements-Standards issued but not yet effective:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment came into force from April 1, 2018. The Company evaluated the requirements of the amendment and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018."

The Company is yet to decide the method of applicability and is evaluating the requirements of the amendment and its effect on the financial statements.

Modifications on Ind AS 102, have been issued by MCA, however the standard is not applicable to the Company.

Modifications on Ind AS 102, have been issued by MCA, however the standard is not applicable to the Company

Amendment to Ind AS 12 : The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements and its impact on the financial statements.

3.22 Recent accounting pronouncement

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits, Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

Ind AS 116- Leases:

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard on its financial statements.

Appendix C to Ind AS 12, Uncertainty over income tax treatment :

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following :

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 19, Plan amendment, curtailment or settlement :

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to :

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).”

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.

Amendments to Ind 23 Borrowing costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.

Note 4 : Property, Plant and Equipment

(Currency : ₹ in Lakhs except otherwise specified)

Particulars	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2017	**1,403.31**	**642.22**	**12,309.75**	**4,961.92**	**208.40**	**75.43**	**80.36**	**1,037.12**	**410.38**	**21,128.89**
Add: Additions made during the year	-	-	1,930.41	27.32	34.52	66.58	14.61	33.81	46.66	2,153.91
Less: Disposals / adjustments during the year	-	-	684.62	-	5.69	6.69	1.85	8.12	18.09	725.06
As at March 31, 2018	**1,403.31**	**642.22**	**13,555.54**	**4,989.24**	**237.23**	**135.32**	**93.12**	**1,062.81**	**438.95**	**22,557.74**
Add: Additions made during the year	-	-	5,249.83	4.56	10.82	25.42	4.44	3.84	398.03	5,696.94
Less: Disposals / adjustments during the year	-	-	711.05	-	0.52	0.19	0.01	0.72	66.70	779.19
As at March 31, 2019	**1,403.31**	**642.22**	**18,094.32**	**4,993.80**	**247.52**	**160.55**	**97.55**	**1,065.93**	**770.28**	**27,475.49**
Depreciation and impairment										
As at March 31, 2017	**-**	**8.67**	**2,943.24**	**495.72**	**59.09**	**25.11**	**23.83**	**195.44**	**77.67**	**3,828.77**
Add: Depreciation charge for the year	-	8.67	2,642.12	445.65	49.99	48.35	18.34	164.71	98.54	3,476.37
Less: On disposals / adjustments during the year	-	-	216.90	-	3.29	1.62	0.73	7.04	3.58	233.16
As at March 31, 2018	**-**	**17.34**	**5,368.46**	**941.37**	**105.79**	**71.84**	**41.44**	**353.11**	**172.63**	**7,071.98**
Add: Depreciation charge for the year	-	8.67	2,613.06	403.07	36.98	39.32	14.13	132.02	153.70	3,400.95
Less: On disposals / adjustments during the year	-	-	279.23	-	0.52	0.19	-	0.72	36.31	316.97
As at March 31, 2019	**-**	**26.01**	**7,702.29**	**1,344.44**	**142.25**	**110.97**	**55.57**	**484.41**	**290.02**	**10,155.96**

Research & Development

	Freehold land	Leasehold land	Plant & Machinery	Building	Office Equipment	Computers	Furniture and Fixtures	Electric Fittings	Vehicles	Total
Gross carrying amount										
As at March 31, 2017	**-**	**-**	**1,922.41**	**599.63**	**31.51**	**23.58**	**2.80**	**139.67**	**8.92**	**2,728.52**
Add: Additions made during the year	-	-	131.45	-	2.85	6.50	6.76	-	9.08	156.64
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**2,053.86**	**599.63**	**34.36**	**30.08**	**9.56**	**139.67**	**18.00**	**2,885.16**
Add: Additions made during the year	-	-	294.42	-	0.73	14.17	0.00	-	10.66	319.98
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**2,348.28**	**599.63**	**35.09**	**44.25**	**9.56**	**139.67**	**28.66**	**3,205.14**

Depreciation and impairment										
As at March 31, 2017	**-**	**-**	**404.34**	**28.65**	**10.16**	**5.37**	**0.68**	**25.31**	**2.97**	**477.48**
Add: Depreciation charge for the year	-	-	348.71	27.28	7.79	12.33	1.94	20.73	2.55	421.33
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**753.05**	**55.93**	**17.95**	**17.70**	**2.62**	**46.04**	**5.52**	**898.81**
Add: Depreciation charge for the year	-	-	325.19	25.98	5.23	5.99	1.79	16.97	5.46	386.61
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**-**	**-**	**1,078.24**	**81.91**	**23.18**	**23.69**	**4.41**	**63.01**	**10.98**	**1,285.42**
Net carrying amount										
As at March 31, 2019	**1,403.31**	**616.21**	**11,662.07**	**4,167.08**	**117.18**	**70.14**	**47.14**	**658.18**	**497.95**	**19,239.26**
As at March 31, 2018	**1,403.31**	**624.88**	**9,487.89**	**4,591.57**	**147.85**	**75.86**	**58.62**	**803.33**	**278.80**	**17,472.11**

Notes:

Details of assets charged to Banks :

Equitable mortgage of leasehold land and building, situated at Plot No.4, Sector 31, Greater Noida Industrial Development Area, U.P. and hypothecation of movable assets including plant & Machinery in favour of Yes Bank, Kotak Mahindra Bank Ltd and HDFC Bank for their working capital lenders.

(Currency : ₹ in Lakhs except otherwise specified)

Note 5 : Capital work In progress	As At March 31, 2019	As At March 31, 2018
Plant & Machinery	26.84	36.28
	26.84	**36.28**

Note 6 : Intangible assets	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2017	**12.15**	**1,179.31**	**1,191.46**
Add: Additions made during the year	31.38	-	31.38
Less: Disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	**43.53**	**1,179.20**	**1,222.73**
Add: Additions made during the year	45.41	-	45.41
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**88.94**	**1,179.20**	**1,268.14**
Amortisation and impairment			
As at March 31, 2017	**7.22**	**441.98**	**449.19**
Add: Amortisation for the year	9.70	421.49	431.19
Less: On disposals / adjustments during the year	-	0.11	0.11
As at March 31, 2018	**16.92**	**863.36**	**880.28**
Add: Amortisation for the year	19.29	238.08	257.37
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**36.21**	**1,101.44**	**1,137.65**

Research & Development	Computer Software	Technical Knowhow & Guidance	Total
Gross carrying amount			
As at March 31, 2017	**143.67**	**22.54**	**166.20**
Add: Additions made during the year	24.45	-	24.45
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2018	**168.12**	**22.54**	**190.66**
Add: Additions made during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2019	**168.12**	**22.54**	**190.66**
Amortisation and impairment			
As at March 31, 2017	**22.63**	**21.48**	**44.11**
Add: Amortisation for the year	47.94	1.06	48.99
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	**70.57**	**22.54**	**93.11**
Add: Amortisation for the year	51.90	-	51.90
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2019	**122.47**	**22.54**	**145.01**
Net carrying amount			
As at March 31, 2019	**98.38**	**77.76**	**176.14**
As at March 31, 2018	**124.16**	**315.84**	**440.00**

(Currency : ₹ in Lakhs except otherwise specified)

Note 7 : Investments	As At March 31, 2019	As At March 31, 2018
NON-CURRENT		
Investments measured at cost		
In equity shares of Associates		
Quoted, fully paid up		
9,000,000 (March 31, 2018: 9,000,000) Equity Shares of ₹ 2/- each of Bharat Seats Ltd. { including 4,500,000 Bonus Shares (March 31, 2018: 4,500,000) }	3,132.22	2,603.63
	3,132.22	**2,603.63**
In equity shares of Associates		
Unquoted, fully paid up		
490,000 (March 31, 2018: 490,000) Equity shares of ₹ 10 each of Relan Industrial Finance Ltd.	320.14	259.81
	320.14	**259.81**
In equity shares of Joint Ventures		
Unquoted, fully paid up		
5,000 (March 31, 2018: 5,000) Equity shares of ₹ 10 each of Toyota Boshoku Relan India Pvt. Ltd.	0.36	0.60
750,000 (March 31, 2018: 750,000) Equity shares of ₹ 10 each of Toyo Sharda India Pvt. Ltd.	396.57	300.08
	396.93	**300.68**
In equity shares of Other		
Unquoted, fully paid up		
17,500 (March 31, 2018: 17,500) Equity shares of ₹ 10 each of Windage Power Company Private Limited	1.75	1.75
	1.75	**1.75**

Information about Associates & Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As At March 31, 2019	As At March 31, 2018
Associates		
Bharat Seats Ltd, India, Manufacturing of Seating System	28.66	28.66
Relan Industrial Finance Ltd., India, Service provider of investments	47.12	47.12
Joint Ventures		
Toyota Boshoku Relan India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00
Toyo Sharda India Pvt. Ltd., India, Manufacturing of Seating System	50.00	50.00
Total (A)	**3,851.04**	**3,165.87**

CURRENT

Investment measured at fair value through profit or loss

Investment In Mutual Fund (Quoted)

- Nil (March 31,2018: 9,447,048.91) units of Reliance Arbitrage Advantage Fund (MD)	-	999.36
- Nil (March 31,2018: 7,519,834.30) units of SBI Arbitrage Opportunities Fund (D)	-	1,002.36
- Nil (March 31,2018: 7,986,431.54) units of ICICI Prudential Equity-Arbitrage Fund - Retail Plan (D)	-	1,089.27
- Nil (March 31,2018: 3,672,422.63) units of HDFC Arbitrage Fund - Wholesale Plan (MD)	-	399.67
- Nil (March 31,2018: 3,536,060.64) units of ICICI Prudential Equity Income Fund - Regular Plan (MD)	-	393.21
- Nil (March 31,2018: 13,178,805.39) units of Kotak Equity Savings Fund - Regular Plan (MD)	-	1,469.09
- Nil (March 31,2018: 3,451,191.52) units of Reliance equity Savings fund-Monthly Dividend	-	382.94
- 6,999,407.76 (March 31,2018: 6,999,407.76) units of Reliance Short Term Fund (Growth)	2,430.21	2,284.30
- 3,776,031.01 (March 31,2018: 3,776,031.01) units of ICICI Prudential Short Term plan Regular (Growth)	1,458.33	1,366.74
- 408,105.3 (March 31,2018: 408,105.3) units of Aditya Birla Sunlife Short Term Fund (Growth)	292.39	271.03
- 223,015.17 (March 31,2018: 223,015.17) units of ICICI Prudential equity & debt fund (Growth)	299.82	278.52
- 582,328.09 (March 31,2018: 582,328.09) unit of Reliance prime debt fund - (Growth)	227.80	212.09
- 3980758.54 (March 31,2018: 2084463.32) units SBI Equity Savings Fund - Regular Plan-Growth	202.17	258.50
- 54,519.21 (March 31,2018: Nil) units ICICI Prodential Money Market Fund - Growth	462.89	-
- 41199.265 (March 31,2018: Nil) units SBI Premier Liquid Fund	1,200.00	-
- 50 (March 31,2018: Nil) units NHAI 2030 - Tax free Bond	572.22	-
- 50000 (March 31,2018: Nil) units REC 2022 - Tax free Bond	550.00	-
- 50000 (March 31,2018: Nil) units IRFC 2022 - Tax free Bond	539.99	-
Total (B)	**8,235.82**	**10,407.08**
Total (A+B)	**12,086.86**	**13,572.95**
Aggregate value of unquoted investments	718.82	562.24
Aggregate value of quoted investments	10,432.22	12,603.63
Market value of quoted investments	16,443.82	25,851.08
Aggregate value of impairment in the value of investment	-	-

Note 8 : Other financial assets (Unsecured and considered good, unless otherwise stated)	**As At March 31, 2019**	**As At March 31, 2018**
Non- current		
Security deposits (Refer to note 'a' below)	302.04	279.70
Deposits with original maturity of more than 12 months and remaining maturity of more than 12 months (Refer to note 'b' below)	5.00	5.00
Total (A)	**307.04**	**284.70**

Note 8 : Other financial assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2019	As At March 31, 2018
Current		
Staff Advance	21.24	25.72
Interest accrued on fixed deposits	153.34	125.36
Interest accrued others	4.96	0.57
Receivable from related parties	8.62	8.62
(Refer to note 'c' below)		
Total (B)	**188.16**	**160.27**
Total (A+B)	**495.20**	**444.97**

a) Security deposits are not in the nature of loans hence classified as part of other financial assets.
b) Margin Money Deposit is pledged with Canara bank amounting to ₹ 5 Lakhs (March 31, 2018: ₹ 5.00 Lakhs).
c) For detailed related party disclosures, refer note no. 35.

Note 9 : Non-current tax asset	As At March 31, 2019	As At March 31, 2018
Advance Income Tax	74.57	50.06
(Net of provision of ₹ 10,351.66 (March 31, 2018 : ₹ 7,759.83 Lakhs)		
	74.57	**50.06**

Note 10 : Other assets (Unsecured and considered good, unless otherwise stated)	As At March 31, 2019	As At March 31, 2018
Non- Current		
Capital Advances (refer note below)	1,833.96	870.88
Deferred Payment Asset	-	1.30
Total (A)	**1,833.96**	**872.18**
Current		
Balance with Statutory Authorities	51.41	67.03
Advances to Suppliers	280.13	305.86
Deferred Payment Asset	-	0.72
Prepaid Expenses	169.49	130.99
Other Receivable (refer to note below)	9.80	43.51
Total (B)	**510.83**	**548.11**
Total (A+B)	**2,344.79**	**1,420.29**

Other receivable includes duty drawback receivable, staff imprest account etc.

Note: Details of Capital commitment is as follows:

Particulars	As At March 31, 2019	As At March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts, net of capital advance.	2,345.30	1,127.68
	2,345.30	**1,127.68**

Note 11: Inventories (Valued at lower of cost or net realizable value)	As At March 31, 2019	As At March 31, 2018
Raw Materials	7,659.54	6,242.65
Raw Materials - In Transit	289.49	328.57
Work In Progress	2,108.06	1,782.28
Consumable Stores and Spares	252.95	208.54
	10,310.04	**8,562.04**

Note:

1. The mode of valuation of inventories has been stated in note 3.9.
2. Inventories have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.

Note 12 : Trade receivables	**As At March 31, 2019**	**As At March 31, 2018**
Unsecured, Considered Good	13,211.46	12,240.73
Unsecured, Considered credit impaired	2.51	2.51
	13,213.97	12,243.24
Less: Impairment allowance (allowance for bad and doubtful debts)		
Considered credit impaired	2.51	2.51
	13,211.46	**12,240.73**

a) Trade receivables have been pledged to secure cash credit facilities from banks. Company is not allowed to pledge these assets as security for other borrowings.
b) Trade receivables are non-interest bearing and are generally on terms of not more than 60 days.

Note 13 : Cash and cash equivalents	**As At March 31, 2019**	**As At March 31, 2018**
Balances with banks:		
- on current account	6,043.32	900.28
- deposits with original maturity of less than 3 months	1,000.00	1,300.00
Cash in hand:	0.16	0.45
	7,043.48	**2,200.73**

a) Short-term deposits are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 14 : Bank balances other than cash and cash equivalents	**As At March 31, 2019**	**As At March 31, 2018**
Balances with banks:		
- Unclaimed dividend account	39.70	41.96
Deposits with original maturity of more than 3 months but less than 12 months	4,031.09	1,928.21
Deposits with original maturity of more than 12 months but remaining maturity less than 12 months	3,000.00	3,200.00
	7,070.79	**5,170.17**

Note 15 : Equity Share Capital	**As At March 31, 2019**	**As At March 31, 2018**
Authorised Share Capital		
50,000,000* (March 31, 2018:50,000,000) equity shares of ₹ 10 each	5000.00	5000.00
Issued, subscribed and fully paid up		
5,946,326* (March 31, 2018: 5,946,326) equity shares of ₹ 10 each	594.63	594.63
	594.63	**594.63**

a) Reconciliation of share capital:

	As At March 31, 2019		**As At March 31, 2018**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance as at March 31, 2017	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2018	**5,946,326**	**594.63**	**5,946,326**	**594.63**
Issue/buy back during the year	-	-	-	-
Balance as at March 31, 2019	**5,946,326**	**594.63**	**5,946,326**	**594.63**

b) Terms/ rights attached to equity shares:

(i) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. No dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) During the year, no interim dividend (March 31, 2018: ₹ 6.25 per share) has been recognized as distributions to equity shareholders.

*Note: Number of Shares are given in absolute numbers

c) Details of shareholders holding more than 5% shares in the Company

	As At March 31, 2019		As At March 31, 2018	
Name of Party	**No. of shares**	**Holding %**	**No. of shares**	**Holding %**
Ajay Relan	1,927,219	32.41%	1,914,195	32.19%
Rohit Relan	428,818	7.21%	428,818	7.21%
Ritu Relan	742,520	12.49%	742,520	12.49%
Mala Relan	520,826	8.76%	520,826	8.76%
Aashim Relan	304,440	5.12%	304,440	5.12%

Note: Number of Shares are given in absolute numbers

Note 16 : Other Equity	**Amount**
a) General Reserve	
Balance as at March 31, 2017	**21,025.68**
Movement during the year	-
Balance as at March 31, 2018	**21,025.68**
Movement during the year	-
Balance as at March 31, 2019	**21,025.68**

The general reserve is created from, time to time transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

b) Capital Reserve	
Balance as at March 31, 2017	**0.20**
Movement during the year	-
Balance as at March 31, 2018	**0.20**
Movement during the year	-
Balance as at March 31, 2019	**0.20**
c) Retained Earnings	
Balance as at March 31, 2017	**8,936.08**
Add:- Profit for the year	8,797.11
Less: Dividend Paid	743.27
Less: Dividend Distribution Tax Paid	151.33
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	**16,838.59**
Add:- Profit for the year	9,465.53
Less: Dividend Paid	371.65
Less: Dividend Distribution Tax Paid	76.61
Less: Transfer to General Reserve	-
Balance as at March 31, 2019	**25,855.85**

Notes:

1. Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
2. General Reserve: The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
3. For the year ended March 31, 2018, a dividend of ₹ 12.50 per share (total dividend of ₹ 743.27 Lakhs) was paid to holders of fully paid equity shares.
4. For the year ended March 31, 2019, no interim dividend (March 31, 2018, ₹ 371.63 Lakhs) was paid to holders of fully paid equity shares. No final dividend was proposed by the Board of Directors during the year (March 31, 2018: ₹ 6.25 per share).

d) Other comprehensive income-Remeasurement of defined benefit obligation

Balance as at March 31, 2017	**(4.37)**
Add:- Gain/(Loss) recognised during the year	4.24
Balance as at March 31, 2018	**(6.71)**
Add:- Gain/(Loss) recognised during the year	(7.05)
Balance as at March 31, 2019	**(13.76)**

Total Other Equity:	
As at March 31, 2018	**37,857.76**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	16,838.59
d) OCI-Remeasurement of defined benefit obligation	(6.71)
As at March 31, 2019	**46,867.97**
a) General Reserve	21,025.68
b) Capital Reserve	0.20
c) Retained Earnings	25,855.85
d) OCI-Remeasurement of defined benefit obligation	(13.76)

Note 17 : Trade payables	**As At March 31, 2019**	**As At March 31, 2018**
- Outstanding dues of micro and small enterprises	345.24	-
- Outstanding dues of creditors other than micro and small enterprises	18,771.53	18,291.78
	19,116.77	**18,291.78**

a) Trade payables are non-interest bearing and are normally settled on 90-day terms. The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 39.

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006

	As At March 31, 2019	**As At March 31, 2018**
- Principal amount due (refer note 17 & 18)	344.34	-
- Interest accrued and due on above	0.90	-
	345.24	**-**
(i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	Nil	Nil
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.90	Nil
(iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

i. 'The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

ii. The total dues to Micro and Small Enterprises which were outstanding for more than stipulated period are ₹ 71.08 lakhs (March 31, 2018 Nil)

Note 18 : Other Financial Liabilities	**As At March 31, 2019**	**As At March 31, 2018**
Current		
Unclaimed dividends (refer note (a) below)	39.70	41.96
Security deposit	34.30	37.05
Creditors for capital goods-micro and small enterprises	1.65	-
Creditors for capital goods- Other than micro and small enterprises	999.54	437.28
Total	**1,075.19**	**516.29**

a) There are no amount due for payment to the Investor Education and Protection Fund under Section 125(1) of the Companies Act, 2013 as at March 31, 2019.

Note 19 : Other Liabilities	**As At March 31, 2019**	**As At March 31, 2018**
Current		
Advance from customers	1,298.60	796.01
Statutory dues	1,518.93	1,906.91
Others *	42.41	59.90
Total	**2,859.94**	**2,762.82**

* other comprises of custom duty, earnest money received and staff payable

Note 20 : Provisions	**As At March 31, 2019**	**As At March 31, 2018**
Non- current		
Provision for employee benefits :		
Provision for compensated absences (refer note 34)	203.04	205.17
Others :		
Provision for warranty	320.99	218.26
Total (A)	**524.03**	**423.43**
Current		
Provision for employee benefits :		
Provision for compensated absences (refer note 34)	133.57	81.13
Provision for gratuity (refer note 34)	153.67	152.39
Others :		
Provision for warranty	178.03	168.66
Total (B)	**465.27**	**402.18**
Total (A+B)	**989.30**	**825.61**

Note 20.1 Contingent Liabilities	**As At March 31, 2019**	**As At March 31, 2018**
(a) Claims against the Company not acknowledged as debts		
i) Disputed State Tax Matters	65.01	69.94
ii) Disputed Excise Matters	9.67	12.74
iii) Disputed Service Tax Matters	76.09	50.63
iv) Disputed Income Tax Matters	42.58	84.86
v) Disputed Central Excise Matters	440.00	440.00
vi) Bill discounting	151.04	102.47
vii) Dispute with Vendor	10.55	10.55
viii) Others	33.00	33.00
(b) Foreign Letter of Credit	2,551.09	3,253.15

Notes:

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 21 : Revenue from operations	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Sale of Product		
- Finished goods	105,368.87	113,040.92
- Traded goods	7,844.42	6,744.71
	113,213.29	119,785.63
Sale of services	62.55	29.16
Other Operating Revenues		
- Sale of scrap	711.43	611.09
Revenue from operations	**113,987.27**	**120,425.88**

Note: Sale of goods includes excise duty collected from customers of ₹ NIL during the year (March 31, 2018: ₹ 4881.31 Lakhs).

According to the requirement of Ind-AS, revenue for the corresponding previous year ended March 31, 2018 was reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise duty, Service Tax and various other Indirect Taxes. Accordingly, per IND AS-18, the revenue for the year ended March 31, 2019 is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company would have been as follows:

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Revenue from Operations inclusive of Excise Duty (A)	113,987.27	120,425.88
Less: Excise Duty (B)	-	4,881.31
Net Revenue from Operations (A-B)	**113,987.27**	**115,544.57**

Note 22 : Other income	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Interest Income		
- Fixed deposits with banks	469.08	381.51
- Income tax refund	-	7.43
- Finance income	0.83	0.66
- Others *	10.05	8.95
Dividend income from		
- Non-current investment	-	-
- Current investment	61.22	177.24
Profit on sale of current investments designated at FVTPL	352.66	346.06
Net gain on disposal of property, plant and equipments	263.40	352.18
Net gain on foreign exchange fluctuation	-	146.37
Fair value gain on investment in mutual funds designated at FVTPL	366.24	193.69
Miscellaneous income	580.48	85.21
	2,103.96	**1,699.30**

* Others comprises of interest received on deposits with electricity boards etc.

Note 23 : Cost of Raw Material Consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Material		
Balance at the beginning of the year	6,195.98	5,413.38
Add:- Purchases during the year	72,434.66	73,955.17
Less:- Balances of raw material at the end of the year	7,659.54	6,242.65
Total cost of raw material consumption	**70,971.10**	**73,125.90**

Note 24 : Purchase of Stock in Trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of stock in trade	6,989.97	6,060.51
	6,989.97	**6,060.51**

Note 25 : Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year		
Finished goods	-	13.91
Work- in- progress	1,782.28	1,536.53
Traded goods	-	0.84
(A)	**1,782.28**	**1,551.28**
Inventories at the end of the year		
Finished goods	-	-
Work- in- progress	2,108.06	1,782.28
Traded goods	-	-
(B)	**2,108.06**	**1,782.28**
(Increase) / Decrease		
Finished goods	-	13.91
Work- in- progress	(325.78)	(245.75)
Traded goods	-	0.84
(Increase) / Decrease in Inventory (A-B)	**(325.78)**	**(231.00)**

Note 26 : Employee benefits expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages & other benefits	7,510.53	7,057.06
Contribution to provident and other funds	408.02	394.00
Gratuity (refer note 34)	119.40	141.19
Staff welfare expenses	540.38	610.97
	8,578.33	**8,203.22**
*** Defined contribution plans**		
Amount recognised in statement of profit & loss		
Employee state insurance	53.40	59.76
Provident fund	353.84	333.39
Welfare fund	0.79	0.85
	408.02	**394.00**

Note 27 : Finance cost	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	4.59	201.50
Interest on delayed payment of taxes	-	11.50
	4.59	**213.00**

Note 28 : Depreciation and amortization expense	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	3,787.56	3,897.71
Amortization of intangible assets	309.27	480.18
	4,096.83	**4,377.89**

Note 29 : Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumable tools	206.62	259.14
Power & fuel	1,148.23	1,270.85
Hire labour charges	4,825.57	5,800.68
Manufacturing expenses	200.44	113.87
Rent, rates & taxes	349.96	305.06
Repair & maintenance		
- Repair to building	88.78	162.80
- Repair to plant & equipments	360.97	323.22
- Repair others	207.51	273.28
Net loss on foreign exchange fluctuation	12.84	-
Fair value losses on derivatives not designated as hedged	-	111.36
Royalty fees	1.62	1.70
Research & development expenses (refer details 'c' below)	2,328.55	1,441.08
Travelling & conveyance	803.52	917.85
Insurance	66.02	75.55
Communication cost	64.06	62.00
Director's sitting fee & commission	18.20	13.02
Legal & professional expenses	620.95	783.24
CSR expenses (refer details 'b' below)	13.90	10.30
Warranty claim	178.03	52.27
Property, plant and equipment written off	-	16.90
Selling expenses	7.33	7.03
Packing material	224.32	259.29
Freight outward	620.27	648.70
Auditor's remuneration (refer details 'a' below)	17.26	13.66
Miscellaneous expenses	876.20	919.05
Pre-incorporation expenses	0.27	-
Total	**13,241.42**	**13,841.90**

a) Details of payment made to auditors is as follows:

Payment to auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
- Statutory audit fee	9.00	8.50
- Tax audit fee *	5.00	5.00
In Other Capacity:		
- Reimbursement of expenses	0.26	0.16
- Other services	3.00	-
	17.26	**13.66**

* Tax audit fee has been provided for other auditor for both the years.

b) Details of Corporate Social Responsibility (CSR) expenditure is as follows:

i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 158.11 Lakhs (March 31, 2018: ₹ 116.24 lakhs)

ii) Amount spent during the year

Purpose for which expenditure incurred	Remarks	For the year ended March 31, 2019	For the year ended March 31, 2018
- Construction/acquisitions of any asset		-	-
- On purpose other than (i) above	Payment to 'Sharda CSR Foundation Trust' for incurring CSR Expenditure	13.90	10.30
Amount yet to be spent		144.21	105.94
Total		**158.11**	**116.24**

c) Research & Development Expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
Research & development expenses include:		
- Purchases	58.11	67.18
- Salary, wages and other allowance	1,204.25	567.07
- Travelling expenses	154.15	106.96
- Design, development and other expenses	912.04	699.87
	2,328.55	**1,441.08**

d) Company's R&D Center at Chennai which is recognized at DSIR, Govt. of India upto March 31, 2020 has incurred following expenditure from the year 2007-08 to 2018-19

Financial Year	Capital Expense	Revenue Expense
2007-08	-	189.59
2008-09	-	235.01
2009-10	28.50	127.62
2010-11	802.57	210.90
2011-12	787.84	351.17
2012-13	93.07	425.85
2013-14	2,034.23	679.24
2014-15	79.63	656.03
2015-16	456.72	847.78
2016-17	217.47	986.33
2017-18	181.09	1,441.08
2018-19	319.97	2,328.55

Note 30: Exceptional Items	For the year ended March 31, 2019	For the year ended March 31, 2018
Diminution in value of asset held for sale	-	58.73
	-	**58.73**

Note:

Diminution in value of asset ₹ Nil during the year (March 31, 2018 ₹ 58.73 lakhs) has been recognized on reclassification of assets as held for sale as the fair value (estimated based on the recent market prices) is less than its carrying amount and had been disclosed the same under the head 'Exceptional item'.

Note 31: Income Tax

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as below:

31.1 Income tax recognised in profit or loss

	As At March 31, 2019	As At March 31, 2018
Current tax		
a) In respect of current year	4,063.94	4,049.93
b) Adjustments in respect of current income tax of previous year	(41.29)	38.66
	4,022.65	4,088.59
Deferred tax		
In respect of current year	(179.39)	(274.89)
	(179.39)	(274.89)
Income tax expense recognised in the current year	**3,843.26**	**3,813.70**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	As At March 31, 2019	As At March 31, 2018
Profit before tax	**12,534.77**	**11,593.72**
Tax at the Indian tax rate of 34.944% (March 31, 2018: 34.608%)	4,341.40	4,012.35
Adjustments in respect of current income tax of previous years	(41.29)	38.66
Effect of expenses that are not deductible in determining taxable profit	10.74	17.57
Weighted deduction for research and development expenses	(520.47)	(294.16)
Income not considered for tax purpose	(23.42)	(61.34)
Exceptional item not considered for tax purpose	-	20.32
Others	76.30	80.30
Tax expenses recognised in statement of profit or loss	**3,843.26**	**3,813.70**

The tax rate used for the current year reconciliation above is the corporate tax rate of 34.944% (March 31, 2018: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

31.2 Income tax recognised in other comprehensive income

	As At March 31, 2019	As At March 31, 2018
Deferred tax assets / (liabilities)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	3.96	0.90
Total tax recognised in other comprehensive income	**3.96**	**0.90**
Bifurcation of the income tax recognised in other comprehensive income into : -		
- Items that will not be reclassified to profit or loss	3.96	0.90
	3.96	**0.90**

Note 32: Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the standalone balance sheet

	As At March 31, 2019	As At March 31, 2018
Deferred tax assets	308.54	100.01
Deferred tax liabilities	903.74	881.03
Net deferred tax liabilities	**595.20**	**781.02**

	As At April 1, 2017	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2018
Deferred tax assets				
Defined benefit obligation	3.48	-	(2.24)	1.24
Expenses deductible in future years	291.04	(193.20)	-	97.84
Others	0.04	0.89	-	0.93
MAT credit entitlement	14.60	(14.60)	-	-
Total deferred tax assets	**309.16**	**(206.91)**	**(2.24)**	**100.01**
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	93.30	47.58	-	140.88
Fair value losses on derivatives not designated as hedged	38.54	(38.54)	-	-
Borrowing at effective interest rate	4.86	(4.86)	-	-
Property, plant and equipment and intangible assets	1,211.53	(471.38)	-	740.15
	1,348.23	**(467.20)**	**-**	**881.03**
Net deferred tax liabilities	**1,039.07**	**(260.29)**	**2.24**	**781.02**

	As At April 1, 2018	Recognised in Profit or loss	Recognised in OCI	As At March 31, 2019
Deferred tax assets				
Defined benefit obligation	99.08	65.82	3.96	168.86
Expenses deductible in future years	-	138.75	-	138.75
Others	0.93	-	-	0.93
Total deferred tax assets	**100.01**	**204.57**	**3.96**	**308.54**
Deferred tax liabilities				
Investment in mutual funds & bonds at FVTPL	140.88	148.77	-	289.65
Property, plant and equipment and intangible assets	740.15	(126.06)	-	614.09
	881.03	**22.71**	**-**	**903.74**
Net deferred tax liabilities	**781.02**	**(181.86)**	**(3.96)**	**595.20**

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note 33: Earnings per share (EPS)	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to equity holders of the Company used in calculating basic earnings per share and diluted earning per share **(A)**	9,465.53	8,797.12
Weighted average number of shares for the purpose of basic earning per share and diluted earning per share (numbers) **(B)**	**59.46**	**59.46**
Basic earnings per share (in ₹) - (A/B)	159.18	147.94
Diluted earnings per share (in ₹) - (A/B)	159.18	147.94

Note 34 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund, Employee's State Insurance scheme and Employee Welfare Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The contributions are made to registered funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The Company during the year recognised the following amount in the Statement of profit and loss account under Company's contribution to defined contribution plan:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund/ Pension Fund	353.84	333.39
Employer's Contribution to Employee State Insurance	53.40	59.76
Employer's Contribution to Employee Welfare Fund	0.78	0.85
Total	**408.02**	**394.00**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Company is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The employee's gratuity fund scheme managed by Life Insurance Corporation is a defined benefit funded plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

ii) Compensated absences

The Company operates compensated absences plan wherein every employee is entitled to the benefit equivalent to 26 days leave salary for every completed year of service subject to maximum 30 accumulations of leaves. The salary for calculation of earned leave is last drawn salary. The same is payable during the service, early retirement, withdrawal of scheme, resignation by employee and upon death of employee. Short term compensated absences are recognised in the statement of profit and loss on the basis of actual liability and long term compensated absences are recognised on the basis of actuary valuation which is an unfunded defined benefit plan.

These plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk
The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest Risk
The plan expose the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Longevity Risk
The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk
The present value of defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan (viz. gratuity and compensated absences).Leave encashment include earned leaves and sick leaves. These have been provided on accrual basis, based on year end actuarial valuation.

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Present value of obligation as at the beginning of the year	1,055.52	286.30	880.43	252.59
Acquisition adjustment				
Add: Interest cost	79.16	21.47	61.63	17.68
Add: Current service cost	126.23	68.70	113.73	51.50
Add: Past service cost	-	-	26.51	-
Less: Benefits paid	(69.00)	(37.82)	(30.65)	(25.78)

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (funded)	Earned leave (Unfunded)	Gratuity (funded)	Earned leave (Unfunded)
Add: Actuarial (gain) / loss				
- Demographic assumptions	-	-	-	-
- Financial assumptions	15.17	2.37	(22.61)	(3.35)
- Experience adjustments	5.57	(4.42)	26.48	(6.34)
Present value of obligation as at the end of the year	**1,212.65**	**336.61**	**1,055.52**	**286.30**

d) Components of expenses recognised in the statement of profit or loss in respect of:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Current service cost	126.23	68.70	113.73	51.50
Past service cost	-	-	26.51	-
Interest cost	11.43	21.47	15.35	17.68
Remeasurements	-	-	-	-
Return on plan assets	-	-	-	-
Actuarial (gain) / loss	-	(2.05)	-	(9.68)
Expenses recognised in profit/loss (Refer Note Below)	**137.66**	**88.12**	**155.59**	**59.50**

Note : Gratuity expense of ₹ 112.98 lakhs has been recognised in Statement of Profit & Loss and ₹ 18.25 Lakhs in R&D expenditure.

e) Components of expenses recognised in the other comprehensive income in respect of:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Actuarial (gains) / losses				
- changes in demographic assumptions	-	-	-	-
- changes in financial assumptions	15.17	2.37	(22.61)	(3.35)
- experience variance	5.57	(4.42)	26.48	(6.34)
Return on plan assets, excluding amount recognised in net interest expense	(2.37)	-	(10.35)	-
Component of defined benefit costs recognised in other comprehensive income	**18.38**	**(2.05)**	**(6.48)**	**(9.69)**

Note:

(i) The current service cost and the interest expense for the year are included in the 'Employee benefits expense' in the profit or loss.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income

f) Changes in the fair value of the plan assets are as follows:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Fair value of plan assets at the beginning	903.13	-	661.14	-
Add: Investment income	67.74	-	46.28	-
Add: Expected return on plan assets	2.37	-	10.35	-
Add: Employer's contribution	154.75	-	216.01	-
Add: Employee's contribution	-	-	-	-
Less: Benefits paid	(69.01)	-	(30.65)	-
Add: Actuarial gains / (losses) on the plan assets	-	-	-	-
Fair value of plan assets at the end	**1,058.98**	**-**	**903.13**	**-**

g) The principal assumptions used for the purpose of the actuarial valuations were as follows:

		As at March 31, 2019		As at March 31, 2018	
		Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Economic assumptions					
1	Discount rate	7.20%	7.20%	7.50%	7.50%
2	Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Demographic assumptions					
1	Expected average remaining working lives of employees (years)	23.47	23.41	23.78	23.78
2	Retirement Age (years)	58	58	58	58
3	Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Withdrawal Rate					
1	Ages up to 30 Years	20.00%	20.00%	20.00%	20.00%
2	Ages from 30-44	20.00%	20.00%	20.00%	20.00%
3	Above 44 years	20.00%	20.00%	20.00%	20.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
Present value of obligation	1,212.65	336.61	1,055.52	286.30
Fair value of plan assets	1,058.98	-	903.13	-
Net (assets) / liability	**153.67**	**336.61**	**152.39**	**286.30**
Classification into long term and short term:				
- Classified as long term	-	133.57	-	205.17
- Classified as short term	153.67	203.04	152.39	81.13
Total	**153.67**	**336.61**	**152.39**	**286.30**

i) A quantitative sensitivity analysis for significant assumption is as shown below:

Significant actuarial assumption for the determination of defined obligation are discount rate, expected salary growth rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

		As at March 31, 2019		As at March 31, 2018	
		Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
A.	**Discount rate**				
	Effect on defined benefit obligation due to 1% increase in Discount Rate	(49.10)	(7.73)	(42.40)	(6.40)
	Effect on defined benefit obligation due to 1% decrease in Discount Rate	53.54	8.21	46.23	6.79
B.	**Salary escalation rate**				
	Effect on defined benefit obligation due to 1% increase in Salary Escalation Rate	49.53	7.92	43.24	6.57
	Effect on defined benefit obligation due to 1% decrease in Salary Escalation Rate	(46.60)	(7.60)	(40.68)	(6.32)

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
C. Mortality rate *				
Effect on defined benefit obligation due to 1% increase in mortality rate	-	-	-	-
Effect on defined benefit obligation due to 1% decrease in mortality rate	-	-	-	-

* The effect of change in mortality rate considered as negligible.

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2019		As at March 31, 2018	
	Gratuity (Funded)	Earned leave (Unfunded)	Gratuity (Funded)	Earned leave (Unfunded)
1 year	230.83	133.57	202.99	115.59
2 to 5 years	565.12	152.17	492.51	128.98
More than 5 years	416.70	50.87	360.02	41.73

k) Enterprise best estimate of contribution during next year is ₹ 186.53 lakhs.

l) The change in assumption of withdrawal rate, retirement age and expected average remaining working lives of empolyees is not considered significant.

m) There is no change in the method used in the preparing the sensitive analysis from prior years

Note 35 : List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
a) Relan Industrial Finance Ltd. b) Bharat Seats Ltd.	Associate Companies
a) N D R Auto Components Ltd.	Wholly Owned Subsidiary Company
a) Toyo Sharda India (P) Ltd. b) Toyota Boshoku Relan India (P) Ltd.	Joint Venture Companies
a) Mr. Kishan N Parikh (Chairman) b) Mrs. Sharda Relan (Whole Time Director) c) Mr. Ajay Relan (Managing Director)* d) Mr. Rohit Relan (Director) e) Mr. Bireswar Mitra (Executive Director) f) Mr. Ram Prakash Choudhary (Director) g) Mr. Ashok Kumar Bhattacharya (Director) h) Mr. Satindar Kumar Lambah (Director) i) Mr.Udayan Banerjee (Director) j) Mr. Vivek Bhatia (CFO) k) Mr. Nitin Vishnoi (Company Secretary)	Key Managerial Personnel
a) Mrs. Mala Relan (Wife of Managing Director) b) Mrs. Ritu Relan (Wife of Director) c) Ms Aashita Relan (Daughter of Managing Director) d) Mr. Aashim Relan (Son of Managing Director) e) Mr. Rishabh Relan (Son of Director) f) Mr. Pranav Relan (Son of Director) g) Mr. Ayush Relan (Son of Director) h) Mrs. Indira Choudhary (spouse of Director)	Relatives of Key Managerial Personnel

a)	Sharda Enterprises	Enterprises over which Key Managerial Personnel are able to Exercise significant influence
b)	N.D.Relan (HUF)	
c)	Ajay Relan (HUF)	
d)	Rohit Relan (HUF)	
e)	Sharda Auto Solutions Pvt. Ltd.	
f)	A.N.I Hospitality LLP	
g)	Progressive Engineering & Automation Pvt. Ltd.	
h)	Sharda CSR Foundation Trust	

(Rs. in Lakhs)

S.No.	Nature of Transactions	Joint Venture Companies	Associate Companies	Enterprises over which Key Managerial Personnel are able to Exercise significant influence	Key Management Personnel	Relative of Key Management Personnel
i)	**Sales during the Year**					
	- Bharat Seats Ltd.	-	24265.92	-	-	-
		-	(37921.50)	-	-	-
ii)	**Loan repaid during the Year**					
	- Ajay Relan*	-	-	-	-	-
		-	-	-	(1084.72)	-
	- Rohit Relan	-	-	-	-	-
		-	-	-	(1986.62)	-
	- Sharda Relan	-	-	-	-	-
		-	-	-	(33.70)	-
iii)	**Interest paid on loans during the Year**					
	- Ajay Relan*	-	-	-	-	-
		-	-	-	(71.19)	-
	- Rohit Relan	-	-	-	-	-
		-	-	-	(22.13)	-
	- Sharda Relan	-	-	-	-	-
		-	-	-	(1.30)	-
iv)	**Rent paid during the Year**					
	-Sharda Enterprises	-	-	155.76	-	-
		-	-	(154.77)	-	-
v)	**Remuneration paid**					
	- Ajay Relan*	-	-	-	580.03	-
		-	-	-	(506.05)	-
	-Sharda Relan	-	-	-	488.33	-
		-	-	-	(463.60)	-
	-Bireswar Mitra	-	-	-	21.55	-
		-	-	-	(21.76)	-
vi)	**Salary Paid**					
	-Nitin Vishnoi	-	-	-	28.43	-
		-	-	-	(17.89)	-
	-Mala Relan	-	-	-	-	17.62
		-	-	-	-	(13.61)
	-Vivek Bhatia	-	-	-	110.43	-
		-	-	-	(100.12)	-
	-Aashim Relan	-	-	-	-	153.29
		-	-	-	-	(128.60)

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
vii)	**Reimbursements of Expenses**					
	-Bireswar Mitra	-	-	-	4.66	-
		-	-	-	(4.69)	-
	-Nitin Vishnoi	-	-	-	9.20	-
		-	-	-	(6.88)	-
	-Vivek Bhatia	-	-	-	6.84	-
		-	-	-	(7.27)	-
viii)	**Dividend Paid**					
	- Ajay Relan*	-	-	-	120.01	-
		-	-	-	(240.50)	-
	- Nitin Vishnoi	-	-	-	0.06	-
		-	-	-	(0.13)	-
	- Bireswar Mitra	-	-	-	0.04	-
		-	-	-	(0.07)	-
	-K.N. Parikh	-	-	-	0.01	-
		-	-	-	(0.02)	-
	-Rohit Relan	-	-	-	26.80	-
		-	-	-	(53.60)	-
	-Aashim Relan	-	-	-	-	19.03
		-	-	-	-	(37.66)
	-Ayush Relan	-	-	-	-	4.27
		-	-	-	-	(10.78)
	-Pranav Relan	-	-	-	-	5.77
		-	-	-	-	(13.83)
	-Rishabh Relan	-	-	-	-	7.59
		-	-	-	-	(17.50)
	-Mala Relan	-	-	-	-	32.55
		-	-	-	-	(63.39)
	-Ritu Relan*	-	-	-	-	46.40
		-	-	-	-	(92.82)
	-Aashita Relan	-	-	-	-	1.17
		-	-	-	-	(2.06)
	-Ajay Relan(HUF)	-	-	1.20	-	-
		-	-	(2.40)	-	-
	-ND Relan (HUF)	-	-	1.88	-	-
		-	-	(3.75)	-	-
	-Rohit Relan (HUF)	-	-	2.78	-	-
		-	-	(5.55)	-	-
	-RIFL	-	0.06	-	-	-
		-	(0.01)	-	-	-
	-Indira Choudhary	-	-	-	-	3.28
		-	-	-	-	(6.56)
ix)	**Sitting Fee Paid**					
	-Kishan N Parikh	-	-	-	4.40	-
		-	-	-	(3.60)	-

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
	-Rohit Relan	-	-	-	1.60	-
		-	-	-	(0.80)	-
	-Ram Prakash Choudhary	-	-	-	2.80	-
		-	-	-	(2.60)	-
	-Ashok Kumar Bhattacharya	-	-	-	3.20	-
		-	-	-	(1.60)	-
	-Satinder Kumar Lambah	-	-	-	5.20	-
		-	-	-	(4.41)	-
	-Udayan Banerjee	-	-	-	1.00	-
		-	-	-	-	-
x)	**Sale of Fixed Assets**					
	-Bharat Seats Limited	-	57.90	-	-	-
		-	(185.44)	-	-	-
xi)	**Expenses paid**					
	- A.N.I Hospitality LLP	-	-	-	-	-
		-	-	(0.73)	-	-
xii)	**Advance Received from Customers**					
	Bharat Seats Limited (Tooling Advance)	-	28.40	-	-	-
		-	-	-	-	-
xiii)	**Purchases during the year**					
	Bharat Seats Ltd.	-	245.10	-	-	-
		-	(259.39)	-	-	-
	-Toyo Sharda India (P) Ltd.	218.40	-	-	-	-
		(545.35)	-	-	-	-
xiv)	**Advance Adjusted**					
	-Bharat Seats Limited	-	28.40	-	-	-
		-	-	-	-	-
xv)	**Dividend Received**					
	-Bharat Seats Limited	-	90.00	-	-	-
		-	(81.00)	-	-	-
	-Toyo Sharda India (P) Ltd.	3.75	-	-	-	-
		-	-	-	-	-
xvi)	**CSR Expenditure paid**					
	Sharda CSR Foundation Trust	-	-	12.90	-	-
		-	-	(10.30)	-	-
xvii)	**Investment in Shares**					
	N D R Auto Components Ltd.	-	1.00	-	-	-
		-	-	-	-	-
xvi)	**Net Outstanding Balance payable as on 31.03.2019**					
	- Ajay Relan*	-	-	-	53.83	-
		-	-	-	(161.16)	-
	-Bireswar Mitra	-	-	-	1.35	-
		-	-	-	-	-
	-Nitin Vishnoi	-	-	-	6.77	-
		-	-	-	-	-

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
	-Sharda Relan	-	-	-	43.40	-
		-	-	-	(128.93)	-
	-Mala Relan	-	-	-	0.83	-
		-	-	-	-	-
	-Aashim Relan	-	-	-	12.56	-
		-	-	-	-	-
	-Toyo Sharda India (P) Ltd.	1.32	-	-	-	-
		(46.05)	-	-	-	-
	-Toyota Boshoku Relan India (P) Ltd.	-	-	-	-	-
		(98.85)	-	-	-	-
xvii)	**Balance Receivable as on 31.03.2019**					
	-Bharat Seats Limited	-	685.92	-	-	-
		-	(3074.01)	-	-	-
	-Toyota Boshoku Relan India (P) Ltd.	8.62	-	-	-	-
		-	-	-	-	-
	N D R Auto Components Ltd.	-	0.27	-	-	-
		-	-	-	-	-

* The transaction belonging to Promoter/Promoter Group holding 10% or more shares in the Company.

1) Figures in bracket represents figures for the year ended 31st March, 2018.

2) All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.

Note 36: Operating Lease Arrangements

The Company has entered into operating lease arrangements for various lands and building. These arrangements are non-cancellable in nature and range between five to twenty years and no specific obligation for renewal. There is no restriction imposed in lease arrangement. Lease rental amounting to ₹ 274.04 lakhs (March 31, 2018: ₹ 304.34 lakhs) has been expensed out in Statement of Profit and Loss in note 29 as 'Rent, Rates & Taxes' under 'Other expenses'. The future minimum lease commitments under non-cancellable operating leases are as under:

Particulars	As At March 31, 2019	As At March 31, 2018
Not Later Than 1 year	218.04	129.00
Later than 1 year but not later than 5 years	194.58	337.00
More than 5 years	248.44	237.86
Total	**661.06**	**703.86**

Note 37: Financial and Derivative Instruments		**As At March 31, 2019**		**As At March 31, 2018**
Particulars of Unhedged Foreign Currency Exposure as at Balance Sheet date :				
Foreign currency exposure that are not hedged by derivative instruments (Sell)	USD 11.24 lakhs	777.83	USD 15.88 lakhs	1,032.76
		777.83		1,032.76
Foreign currency exposure that are not hedged by derivative instruments (Buy)	USD 40.55 lakhs	2,804.54	USD 25.68 lakhs	1,670.05
	EURO 0.82 lakhs	64.00	EURO 0.06 lakhs	5.22
	JPY 0.25 lakhs	0.16	JPY 0.25 lakhs	0.15
		2,868.70		1,675.42

Note 38 : Segment Information

1. In line with the provision of Ind AS 108- Operating Segments and on the basis of review of operations being done by the board of directors of the Company (which has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance, allocates resources based on the analysis of the various performance indicator of the Company as a single unit), the operations of the Company falls under manufacturing & trading of auto component parts, which is considered to be the only reportable segment.
2. Major Customer: Revenue from 3 customers of the Company's manufacturing & trading business are ₹ 84,935.68 lakhs (March 31, 2018 ₹ 92,878.58 lakhs) which is more than 10% of the Company's total revenue. No other single customer contributed 10% or more to the Company's revenue for both March 31, 2019 and March 31, 2018.

Note 39 : Financial instruments - fair values and risk management

39.1 Financial instruments by category and fair values

	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Non-current						
Investments in equity instrument *	-	-	1.75	-	-	1.75
Other financial assets						
- Security deposits	-	-	302.04	-	-	279.70
- Deposits with original maturity of more than 12 months	-	-	5.00	-	-	5.00
Current						
Investments in mutual fund & tax free bond	8,235.82	-	-	10,407.08	-	-
Trade receivables	-	-	13,211.46	-	-	12,240.73
Cash and cash equivalents	-	-	7,043.48	-	-	2,200.73
Bank balances other than above	-	-	7,070.79	-	-	5,170.17
Other financial assets						
- Staff advance	-	-	21.24	-	-	25.72
- Interest accrued on fixed deposits	-	-	153.34	-	-	125.36
- Interest accrued on others	-	-	4.96	-	-	0.57
- Receivable from related parties	-	-	8.62	-	-	8.62
Total	**8,235.82**	**-**	**27,822.68**	**10,407.08**	**-**	**20,058.35**
Financial liabilities						
Current						
Trade payables	-	-	19,116.77	-	-	18,291.78
Other financial liabilities						
- Interest accrued	-	-	0.00	-	-	-
- Unclaimed dividend	-	-	39.70	-	-	41.96
- Security deposit	-	-	34.30	-	-	37.05
- Creditors for capital goods	-	-	999.54	-	-	437.28
Total	**-**	**-**	**20,190.31**	**-**	**-**	**18,808.07**

* Investment value excludes investment in associates of ₹ 139 lakhs (March 31, 2018 : ₹ 139 lakhs), investment in joint ventures of ₹ 75.50 lakhs (March 31, 2018 : ₹ 75.50 lakhs), and investment in Subsidiary of ₹ 1.00 Lakh (March 31, 2018 : NIL),which are shown at cost in balance sheet as per Ind AS 27 : Financial Statements.

Note: The directors consider that the carrying amounts of investments in equity shares of other and in trust, which have been recognised in the financial statements, as approximate their fair values.

Financial assets and liabilities measured at fair value - recurring fair value measurements (refer note 3.12)

	As At March 31, 2019	As At March 31, 2018
Financial assets		
Level 1	-	-
Level 2		
- Financial instruments at FVTPL: Options, cross currency and interest rate swap contract	-	-
- Financial instruments at FVTPL: Investments in mutual fund	8,235.82	10,407.08
Level 3		
- Financial instruments at FVTPL: Investment in other	-	-
Total financial assets	**8,235.82**	**10,407.08**

39.2 Measurement of fair value

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of options, cross currency and interest rate swap contract & investments in mutual funds.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are investments in unquoted equity instruments and other investment.

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

(i) Investments in mutual funds: Fair value is determined by reference to quotes, i.e. net asset value (NAV) for investments in mutual funds as declared.

(ii) Unquoted equity and other investments: Fair value of same has not been derived as in the opinion of directors the carrying amounts of these investments approximate their fair values.

(iii) Fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, other current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

(iv) Interest rates on long-term borrowings are equivalent to the market rate of interest. Accordingly, the carrying value of such long-term debt approximates fair value.

(v) Fair value of all other non-current financial assets have not been disclosed as the change from carrying amount is not significant, as the discount rate has not changed significantly.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

39.3 Capital management

The Company's policy is to maintain a strong capital base so as to maintain confidence of investors, bankers, customers and vendors and to sustain future development of the business. The management monitors the return on capital and also monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising borrowings less cash and cash equivalents. Equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows:

	March 31, 2019	March 31, 2018
Total liabilities	24,636.40	23,177.52
Less: Cash and cash equivalents	7,043.48	2,200.73
Adjusted net debt	17,592.92	20,976.79
Total equity	47,462.60	38,452.39
Adjusted net debt to equity ratio	0.37	0.55

39.4 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Market risk
- Credit risk
- Liquidity risk

Risk management framework:

The Company's principal financial liabilities other than derivatives comprise trade and other payables, borrowings, employees related payables, interest accrued, unpaid dividend, security deposit, capital creditors and others. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes Investment in mutual funds, security deposits, trade receivables, cash and cash equivalents, deposits with banks, interest accrued in deposits, receivables from related and other parties and interest accrued thereon.

The Company's senior level management assess these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out in line with the policy duly approved by board of directors. The execution of the policy is done by treasury deaprtment which has appropriate skills, experience and supervision. The policy provides that the Company should hedge through prescribed instruments to cover all possible risks of foreign currency outstanding after considering the natural hedge available and customer arrangements. It also prohibits any hedging for speculative transactions.

A. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates - will affect the Company's financial position or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and functional currency of the Company, i.e. INR (₹). The currencies in which these transactions are primarily denominated are US dollar. The Company uses options, cross currency and interest rate swap contracts to hedge its currency risk on borrowings as per the approved policy of the Company. The Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rate when necessary to address short term imbalances. However, the Company has not designated these derivatives as hedge relationship.

Exposure to currency risk:

(Amount in Lakhs except otherwise specified)

March 31, 2019	**USD**	**EURO**	**JPY**
Foreign currency exposure not hedged (Sell)	11.24	-	-
Foreign currency exposure not hedged (Buy)	40.55	0.82	0.25
Derivative contract outstanding	-	-	-

March 31, 2018	**USD**	**EURO**	**JPY**
Foreign currency exposure not hedged (Sell)	15.88	-	-
Foreign currency exposure not hedged (Buy)	25.68	0.06	0.25
Derivative contract outstanding	-	-	-

Sensitivity analysis:

A reasonably possible strengthening (weakening) of USD against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

The company has arrangements with major customers on quarterly basis for settlement of exchange fluctuations based on average exchange rate for the previous quarter.

	(Profit) / Loss	
March 31, 2019	**Strengthening**	**Weakening**
USD (5% movement)	(143.44)	143.44
EUR (5% movement)	-	-
JPY (5% movement)	-	-

	(Profit) / Loss	
March 31, 2018		
USD (5% movement)	(31.86)	31.86
EUR (5% movement)	(0.26)	0.26
JPY (5% movement)	(0.01)	0.01

USD: US Dollar, EUR: Euro and JPY: Japan Yen

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers, foreign exchange transactions, deposits with banks and other financial instruments. The carrying amount of financial assets represent the maximum credit risk exposure.

i) Trade receivables

The concentration of credit risk in trade receivables of the company is limited.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company primarily has the exposure from following type of customer:

- Original equipment manufacturers (OEMs)

Company has established a policy under which each new OEMs are analysed individually for creditworthiness before goods are sold to them. The Company's review includes due diligence by analysing financial statements, industry information, promoter's background and in some cases bank references. In case of sales, the Company has limited its credit exposure to OEMs and dealers by providing a maximum payment period up to 60 days.

The Company's expected probability of default is nil and all major payments are received on due dates without any significant delays.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Upto 180 days	More than 180 days	Total
Trade Receivables as of March 31, 2018	-	12,224.06	16.67	12,240.73
Trade Receivables as of March 31, 2019	-	13,198.14	13.32	13,211.46

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivables, loans and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, their geographical location, industry and existence of previous financial difficulties.

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

However,Company need not required to provide for any risk allowance on account of trade receivable being bad and not recoverable as the amount of outstanding pertaining to trade receivables which exceeds the credit period allowed by the Company is less than 2% of the total outstanding from them.

ii) Financial assets

The Company's exposure to credit risk for financial assets is as follows:

	As at March 31, 2019	As at March 31, 2018
Investments	12,086.86	13,572.95
Security deposits	302.04	279.70
Deposit with original maturity of more than 12 months	5.00	5.00
Interest accrued	153.34	125.36
Staff Advance	21.24	25.72
Interest accrued others	4.96	0.57
Receivable from related parties	8.62	8.62
Total	**12,582.06**	**14,017.92**

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities, when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's primary sources of liquidity include cash deposits,short term investments in mutual funds, borrowings, undrawn committed credit facilities and cash flow from operating activities. The Company seeks to increase income from its existing operations by maintaining quality standards for its goods and services while reducing the related costs and by controlling operating expenses.

Consequently, the Company believes its revenue, along with proceeds from financing activities will continue to provide the necessary funds to cover its short term liquidity needs. In addition, the Company projects cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. However, material changes in the factors described above may adversely affect the Company's net cash flows.

As on March 31, 2019, Company doesn't have any outstanding borrowings.

Exposure to liquidity risk:

The following are the remaining undiscounted contractual maturities of financial liabilities including interest at the reporting date:

March 31, 2019		**Contractual cash flow**			
	Carrying amount	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
Creditors for capital goods	999.54	999.54	999.54	-	-
Trade payables	19,116.77	19,116.77	19,116.77	-	-
Unclaimed dividends	39.70	39.70	39.70	-	-
Security deposit	34.30	34.30	34.30	-	-
	20,190.31	20,190.31	20,190.31	-	-

March 31, 2018		**Contractual cash flow**			
	Carrying amount	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
Creditors for capital goods	437.28	437.28	437.28	-	-
Trade payables	18,291.78	18,291.78	18,291.78	-	-
Unclaimed dividends	41.96	41.96	41.96	-	-
Security deposit	37.05	37.05	37.05	-	-
	18,808.07	18,808.07	18,808.07	-	-

Note 40: De-merger of Automobile Seating Business: With the view to create a separate and focused entity to support the 'Automobile Seating Business' of the Company, and to capitalize the growth opportunities in a focused manner, the Board of Directors at its meeting held on April 5, 2019 approved a Scheme of arrangement between the Company and NDR Auto Components Limited (wholly owned subsidiary company) and their respective shareholders and creditors u/s 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme"), which is subject to requisite approval(s). The Scheme, inter-alia, envisages demerger of 'Automobile Seating Business' of the Company and transfer and vesting thereof into NDR Auto Components Limited, on a 'going concern' basis w.e.f. December 31, 2018 i.e. appointed date.

Note 41: Alignment of accounting policy for consolidation

In case of Toyo Sharda India Private Limited, the joint venture, depreciation on property, plant and equipment has been provided on straight line method as per the rates prescribed in Schedule II of the Companies Act, 2013 which is inconsistent with the written down value method of depreciation used in case of Parent. However it is impracticable to harmonise, therefore adjustment for the same has not been made in the consolidation financial statements.

In case of Bharat Seats Limited, an associate, inventory has been valued on weighted average method which is inconsistent with the first in first out method of valuation used in case of Parent. However it is impracticable to harmonise, therefore adjustment for the same has not been made in the consolidation financial statements.

Note 42: In view of the management, the current assets (financial & other) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

Note 43 : Investments In Associates, Joint Ventures and Subsidairy

S. No.	Name of Company	Relationship	Ownership Interest	Country of Residence
1	Bharat Seats Limited	Associate	28.66%	India
2	Relan Industrial Finance Limited	Associate	47.12%	India
3	Toyota Boshoku Relan India Pvt. Ltd.	Joint Venture	50.00%	India
4	Toyo Sharda India Pvt. Ltd.	Joint Venture	50.00%	India
5	NDR Auto Components Ltd.	Subsidairy	100%	India

Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as /Associates/ Joint Ventures.

Particulars	Net Assets (Total Assets less Total Liability)				Share in Profit & Loss			
	As at 31st March 2019		As at 31st March 2018		FY 2018-19		FY 2017-18	
	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Net Asset	Amount	As a % of Consolidated Total Comprehensive Income	Amount	As a % of Consolidated Total Comprehensive Income	Amount
Holding Company								
Sharda Motor Industries Limited	92.33%	43,824.06	92.33%	35,502.77	91.76%	8,679.56	88.49%	7,784.25
Associates								
Bharat Seats Limited	6.41%	3,042.22	6.54%	2,513.63	6.54%	618.59	9.13%	803.14
Relan Industrial Finance Limited	0.57%	271.14	0.55%	210.81	0.64%	60.33	0.80%	70.68
Joint Venture								
Toyota Boshoku Relan India Pvt. Ltd.	0.00%	(0.14)	0.00%	0.10	0.00%	(0.24)	-0.01%	(0.55)
Toyo Sharda India Pvt. Ltd.	0.69%	325.32	0.59%	225.08	1.06%	100.24	1.58%	139.38
Total	**100.00%**	**47,462.60**	**100.00%**	**38,452.39**	**100.00%**	**9,458.48**	**100.00%**	**8,796.90**

Note 44 : Figures have been rounded off to the nearest lakhs upto two decimal place except otherwise stated.

For & 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 : May 27, 2019

Vivek Bhatia
President & CFO
M.No. 89846

Nitin Vishnoi
Company Secretary
M.No. F3632

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Sharda Motor Industries Limited

(CIN: L74899DL1986PLC023202)
Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi 110020
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676
Email: investorrelations@shardamotor.com Website: www.shardamotor.com

34 ANNUAL GENERAL MEETING
ATTENDANCE SLIP

S. No. :

Folio No./DP ID/Client ID	:
Name :	:
Address	:
Shareholder Joint 1	:
Shareholder Joint 2	:
No. of Shares Held	:
PAN No./Sequence No.	

I/We hereby record my/our presence at the 34 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 Friday, the 27th September, 2019 at 12:00 Noon (IST).

Folio No./DP ID/Client ID	Member's / Proxy's name in Block letters	Member's/Proxy's signature

Note:

1. Please complete the Folio No./DP ID/Client ID and name, sign this Attendance Slip and handover at the Attendance Verification Counter at the meeting hall.
2. Electronic copy of the Annual Report for FY 2018-19 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 2018-19 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: Please read instructions given under Note to the Notice of 34 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 34 Annual General Meeting of the Company to be held on Friday, 27th September, 2019 at 12:00 Noon (IST) at PHD Chamber of Commerce & Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions
1.	To receive, consider and adopt: (a) the audited financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon; (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 and the report of Auditors thereon
2	To appoint Shri Rohit Relan (DIN: 00257572), who retires by rotation, being eligible and offers himself for re-appointment as Director of the Company
3	To appoint Shri Udayan Banerjee (DIN: 00339754) as a Independent Director of the Company
4	To appoint Shri Nitin Vishnoi (DIN: 08538925) as a Director of the Company
5	To appoint Shri Nitin Vishnoi (DIN: 08538925) as a Whole Time Director of the Company
6	To ratify the remuneration to be paid to M/s Gurdeep Singh & Associates, Cost Auditors of the Company.

Signed this …….day of ……2019

Affix Re 1.00 Revenue Stamp

Signature of shareholder ……..

Signature of proxy holder(s) ……....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statement and notes, please refer to the notice of 34 Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.

SHARDA MOTOR INDUSTRIES LIMITED
CIN: L74899DL1986PLC023202
Registered Office:
D-188, Okhla Industrial Area, Phase-I, New Delhi-110020
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