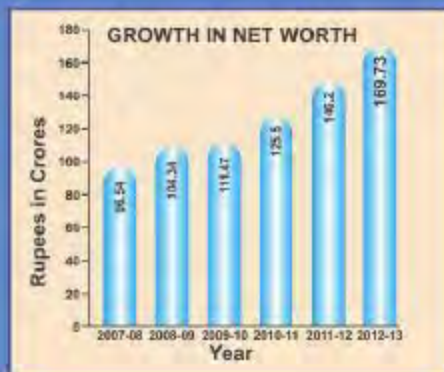


28th ANNUAL
REPORT
2012-13



Sharda Motor Industries Limited

PERFORMANCE HIGHLIGHTS



BOARD OF DIRECTORS	KISHAN N. PARIKH N. D. RELAN AJAY RELAN SHARDA RELAN ROHIT RELAN R. P. CHOWDHRY O. P. KHAITAN UDAYAN BANERJEE Prof. ASHOK KUMAR BHATTACHARYA	Chairman Co-Chairman Managing Director Director Director Director Director Executive - Director Director
PRESIDENT (LEGAL) & CFO	PRADEEP RASTOGI	
Sr. VICE PRESIDENT (F&A)	D. A. AGGARWAL	
COMPANY SECRETARY	NITIN VISHNOI	
STATUTORY AUDITORS	M/S. S. R. DINODIA & CO. CHARTERED ACCOUNTANTS NEW DELHI	
COST AUDITORS	M/S GURDEEP SINGH & ASSOCIATES COST ACCOUNTANTS NEW DELHI	
BANKERS	YES BANK LIMITED ICICI BANK STATE BANK OF INDIA PUNJAB NATIONAL BANK CITI BANK HDFC BANK CANARA BANK	
REGISTERED OFFICE	D-188, OKHLA INDUSTRIAL AREA, PHASE - I, NEW DELHI - 110 020	

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Co-Chairman's Message



N. D. Relan

Dear Shareholders

Warm Greeting to all of you

The fiscal year has been a very challenging year for the Company. Despite global and domestic challenges of High interest rates, inflation, weakening of the rupee, volatility in the cost of raw materials, prices of crude oil, uncertainty in fuel policy, your Company has grown satisfactorily, through its strategic focus by delivering continuous innovations in products, distribution and customer relationships. This has required committed investments in the brand, technology and talent of our people.

I am pleased to share with you the progress made by your company during the year 2012-2013. The Company generated significant amounts of cash, strengthened its balance sheet and financial position and most importantly continued to return value to its shareholders.

Your company implements best standards of Corporate Governance through emphasis on authority and freedom of management coupled with transparency, accountability and professionalism in their working with the aim of enhancing long term economic value of all the stakeholders and the society at large.

I believe that a team of inspired employees is the key for achieving greater heights in excellence by any organization and for that reason the Company gives utmost importance to its Human Resource Development. For this purpose, the Company continues to take various HR initiatives for employee motivation, nurturing talent, enhancing skills and building new leaders. I am sure you will agree that this is equally important as is setting up of new facilities.

I gratefully acknowledge the unstinted support of all the Board Members and Managerial Personnel, the Staff Members each and every member of the SMIL family for their untiring efforts in making the Company what it is today. I cannot forget our customers, vendors and suppliers for reposing strong confidence in the Company. I also acknowledge the kind cooperation and support of bankers. Last but not the least, I sincerely once again thank all the stake holders for supporting and encouraging in Company's endeavour.

Managing Director's Message



Ajay Relan

Dear Shareholders

The year gone by has seen many economic and business challenges globally as well as in the country. The country's GDP growth rate slipped below expectations reflecting the economic slowdown. Continuing inflation, high interest rates, volatile forex markets, Government Policy issues and bearish capital markets affected the Indian industry, and in particular the Automobile Sector.

Despite this difficult environment, I believe that the automotive industry has huge growth potential and is bound to grow on the back of supportive government policies, positive business environment and availability of reasonably priced talented manpower.

The Government of India is formulating National Electric Mobility Mission Plan 2020 and National Automotive Board among others for achieving the sustained growth of the automotive industry. Therefore, the need of the hour for auto component companies is to continue making investments to create additional capacities for taking advantage of their position, once the economic trend reverses.

I believe that the coming decade will also bring new optimism and an improved platform for business.

It is this conviction that gives me the confidence that we will achieve our future business plans successfully.

Your Company has continued its efforts in this direction by making investments towards setting up new plant, up-gradation of its Research and Development facilities and modernization of its existing manufacturing facilities. We are confident that our large capital expenditure will enable us to take full advantage of our market leadership position and achieve our growth plans .

In the end, I would like to take this opportunity to thank all our customers, employees for their support in helping to make the coming years more successfully.

On Behalf of the Board, I sincerely thank our Investors and Shareholders, for their continued support and reaffirm our commitment to deliver an improved performance during the current financial year.

NOTICE

NOTICE is hereby given that the Twenty- Eight Annual General Meeting of Sharda Motor Industries Limited will be held at Habitat World, India Habitat Centre, Lodhi Road, New Delhi on **Monday, 2nd September, 2013** at 12:30 p.m. to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
- 2 To declare a dividend for the financial year 2012-13
- 3 To appoint a Director in place of Smt Sharda Relan who retires by rotation and being eligible offers herself for re-appointment.
- 4 To appoint a Director in place of Shri R. P. Chowdhry who retires by rotation and being eligible offers himself for re-appointment.
- 5 To appoint a Director in place of Shri Udayan Banerjee who retires by rotation and being eligible offers himself for re-appointment.
- 6 To appoint M/s S. R. Dinodia & Co., Chartered Accountants, the retiring auditors of the Company, as Auditors of the Company, to hold office commencing from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Director, to fix their remuneration for the period.

SPECIAL BUSINESS

- 7 **TO CONSIDER AND, IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory amendments or re-enactment thereof and subject to such consent, approvals and permissions as may be needed in this regard, consent of the Company be and is hereby accorded to the re-appointment of Shri N. D. Relan who has attained the age of 84 Years, as a Whole-time Director of the Company for a further period of five years with effect from 1st July, 2013.”

“FURTHER RESOLVED THAT the remuneration package of Shri N. D. Relan, Whole-time Director, be and is hereby revised, with effect from 1st April, 2013, in the following manner:

Salary : Rs. 13,50,000 per month in the range of Rs.12,50,000 to Rs. 25,00,000 per month as may be agreed between the Board of Directors / Remuneration Committee and Shri N. D. Relan.

Commission : Such amount or percentage of the net profit as may be decided by the Board of Directors / the Remuneration Committee from year to year provided that the overall managerial remuneration shall not exceed the limit laid down in the Companies Act, 1956 and Schedules / Rules made there under.

Other Entitlements

- a) Expenditure of Housekeeping including maintenance and insurance premium thereof.
- b) Medical Expenses for self & family including Premium of Medi-Claim Policy (ies).
- c) Leave Travel Concession for self & family as per the Company Rules.
- d) Clubs Membership Fees / expenses
- e) Personal Accident Insurance for self & family.
- f) Leave Encashment as per the Company Rules.
- g) Provision for Company Maintained Chauffeur Driven Car.
- h) Free Telephone, Fax and other communication facility at Residence.
- i) Company's Contribution towards Provident Fund, Pension Fund, and Superannuation Fund as per The Company Rules.
- j) Gratuity as per the Payment of Gratuity Act, 1972 including any amendment or re-enactment thereof.
- k) Such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors / Remuneration Committee and Shri N. D. Relan.

“FURTHER RESOLVED THAT where in any financial year during the currency of tenure of the Appointee, The Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary and other entitlements as specified above, subject to limits laid down in the Companies Act, 1956 and Schedules / Rules made there under.”

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

“FURTHER RESOLVED THAT no further permission or consent of / reference to the Members shall be required for altering, varying and / or increasing the remuneration of Shri N. D. Relan, Whole-time Director of the Company, by the Board of Directors / the Remuneration Committee of the Company, provided that such alteration, variation and / or increase shall be within the permissible ceiling limits as specified in the Companies Act, 1956 and Schedules and Rules made thereunder.”

8. TO CONSIDER AND, IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION'S, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Article of Association of the Company and Section 309 of the Companies Act, 1956 and other applicable Rules and Regulations made thereunder, consent of the Company be and is hereby accorded for the payment of Remuneration by way of commission to Smt Sharda Relan and Shri Rohit Relan, Non-Executive Directors of the Company, an amount not exceeding in the aggregate 1% per annum of the net profit of the Company Computed in a manner laid down in the Act, for a period of five financial years commencing from financial year 2013-14, in such manner and proportion as may be decided by the Board from time to time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and /or Remuneration Committee be and are hereby authorised to take all necessary actions and to do all such deeds, matters and things, as may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubts that may arise in this regards.”

9. TO CONSIDER AND, IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Securities and Exchange Board of India (Delisting Regulation of Equity Shares) 2009 (the “Delisting Regulations”) and all applicable provisions of Companies Act 1956, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter, and pursuant to such other applicable Laws, Rules, Regulations and Guidelines and subject to receipt of all necessary approvals, permission and sanction(s) from the Stock Exchange (s) and such other Authorities, Regulatory or otherwise, as may be required and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to Board of Directors of the company (hereinafter referred to as “Board” which term shall be deemed to include any committee of the Board or a committee that may be constituted hereafter or person authorised by Board thereof for the time being exercising the powers conferred on the Board by the resolutions), the voluntary delisting of the equity shares of Company from the Delhi Stock Exchange be and is hereby approved and the Company (which term shall be deemed to include the Board or any Committee of the Board or person authorised by Board) shall take all necessary steps and make all necessary filings to facilitate such delisting in accordance with the conditions specified in “Delisting Regulations” and the applicable provisions of Companies Act, 1956 or any other law.”

“RESOLVED FURTHER THAT for the purpose of given effect to the voluntary delisting of equity shares from Delhi Stock Exchange Ltd. (DSE) ,Shri N.D. Relan, Co-chairman, Shri Ajay Relan, Managing Director, Shri Rohit Relan, Director, Shri Nitin Vishnoi, Company Secretary be and are hereby severally authorised on the behalf of the Company to do all such act deed and things as they may at their discretion deem necessary or desirable for such purpose, including making applications to the Stock Exchange(s) to seek their in-principle and / or final approval for the proposed voluntary delisting of the equity shares of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred upon it to any Committee of Directors or to any Director or Directors or any other officers / authorized representative of the Company to give effect to this resolution.”

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

Place : New Delhi
Dated : 28th May, 2013

NITIN VISHNOI
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.

3. All document referred to accompanying Notice and Explanatory statement's are opens for inspection at registered office of the company during office hours on all working days between 11.00 am to 1.00 pm up to date of Annual General Meeting.
4. Members/Proxies are requested to bring their copies of the Annual Report sent to members, as copy of Annual Reports shall not distributed at AGM.
5. Members holding Share in Physical form are advised to notify the change in their Address/ Bank Account/ update e-mail ID to M/s Alankit Assignments Limited. Alankit House, 2E/21, Jhandewalan Extension, New Delhi 110055. the registrar & Share Transfer Agent (R&T Agent) of The Company.
6. Members holding Share in De-Mat Account are requested to notify the change in their Address/ Bank Account/ update e-mail in their respective Depository Participant (s) (DPs).
7. Members must quote their Folio No./De-mat Account No./ e-mail ID/ Contact No. and address in all correspondence with Company and R&T Agent.
8. The Register of the Members and Share Transfer Books of the Company will remain closed from **27th Day of August, 2013 to 2nd Day of September, 2013** (both days inclusive).
9. Shareholders desirous of obtaining any information/clarification concerning the accounts or intending to raise any query are required to forward the same to the company so as to enable the Management to keep the information ready.
10. Dividend if approved by members at Annual General Meeting will be paid to those members, whose Names appear on the Register of Members on record date.
11. In order to avail facility of Electronic Clearing System for receiving direct credit of dividend to his their respective account Members are advised to update your bank Account details to M/s Alankit Assignments Limited. Alankit House, 2E/21, Jhandewalan Extension, New Delhi 110055. the registrar & Share Transfer Agent (R&T Agent) of The Company.
12. Pursuant to Section 205A (5) read with Section 205C of the Companies Act, 1956 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claims shall lie against the fund or the Company. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividends to the Fund are as under:

Financial Year Ended	Date of Declaration of Dividend	Proposed Due date for transfer to IEP Fund
31.03.2005	01.08.2005	30.08.2012
31.03.2006	25.10.2005*	23.11.2012
31.03.2006	25.08.2006	23.09.2013
31.03.2007	27.01.2007*	25.02.2014
31.03.2007	25.07.2007	23.08.2014
31.03.2008	28.01.2008*	26.02.2015
31.03.2008	04.08.2008	02.09.2015
31.03.2009	28.01.2009*	26.02.2016
31.03.2009	27.06.2009*	26.07.2016
31.03.2009	24.08.2009	22.09.2016
31.03.2010	28.01.2010*	26.02.2017
31.03.2010	18.08.2010	16.07.2017
31.03.2011	22.01.2011*	20.02.2018
31.03.2011	8.08.2011	6.08.2018
31.03.2012	24.01.2012*	22.02.2019
31.03.2012	12.09.2012	10.10.2019
31.03.2013	06.02.2013*	04.03.2019

* Interim Dividend

13. Annual Listing fee for the year 2013-14 has been paid to Stock Exchanges wherein shares of the Company are listed.

14. INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENTS.

As required under Clause 49 of the Listing Agreements, the particulars of Directors who are proposed to be reappointed are furnished below:

Name of Director	Shri N. D. Relan	Smt Sharda Relan	Shri R. P. Chowdhry	Shri Udayan Banerjee
Date of Birth & Age	May 31st, 1929 84 years	August 11th, 1935 77 years	May 16th, 1925 88 year	January 15th 1947 66 year
Nationality	Indian	Indian	Indian	Indian
Appointed on	29th August 1986	29th January 1986	29th January 1986	1st June 2004
Qualifications	B.Com	Graduate	B.E. (Civil)	M.Sc. IIT Kharagpur
Expertise in specified functional areas	Accounts, Finance, Business Management & Capital Market	Corporate Management	Business Management	Business Management
Directorship held in other public companies (excluding foreign and private Companies)	Bharat Seats Limited Relan Indl. Finance Ltd. Pebco Motors Limited	Relan Industrial Finance Limited	None	None
Membership /Chairmanship of Committees across other Companies	None	None	None	None
Shareholding of Non-Executive Director In Sharda Motor Industries Limited	488,020	742,520	600	None

15. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011 stating that the Companies can now dispatch their documents to the shareholders through electronic mode. As a result, the Companies are now permitted to send various notices/ documents to the shareholders on their registered e-mail address and will be deemed for serving notices/documents including those covered under Section 219 of the Companies Act, 1956(the Act) read with Section 53 of the Act.

In order to welcome this green initiative, propose to send all the statutory documents like Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report, Audited financial statements, Notices of General Meetings etc. to the shareholder's e-mail addresses which are available with the Company. The members whose have yet not registered email id with company, advice to register their e-mail address along with details of name, address, Folio No./ Client ID and numbers of share held :

- i) To the Company / Registrar and Share Transfer agent (M/s Alankit Assignment Ltd. 2E/21, Jhandewalan Extension New Delhi- 110055), for shares held in physical form and
- ii) in respect of shares held in D-mat form, since the Company seeks all the information of their members from the Depository so those who want to register their email-ids can directly provide the same to the respective Depository Participants where their Demat accounts are maintained.

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

Place : New Delhi
Dated : 28th May, 2013

NITIN VISHNOI
Company Secretary

ANNEXURE TO NOTICE**Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956****ITEM NO. 7**

The Members of the Company at their 23rd Annual General Meeting held on 4th August, 2008 approved the appointment of Shri N. D. Relan as Whole Time Director of the Company for a period of five years with effect from 1st July, 2008 to 30th June, 2013 on the terms of remuneration as detailed in the resolution under Item No. 7 of the Notice of the said meeting.

The present tenure of Shri N D Relan as a Whole-time Director shall be completing on 1st July, 2013 and during his tenure the Company has registered all round progress. In view of the continued growth of the Company's business activities, it is felt desirable to re-appoint Shri N D Relan as Whole-time Director of the Company for a further period of five years.

The Remuneration Committee and the Board of Directors in their meetings held on 28th May' 2013, had approved the re-appointment of Shri N D Relan as Whole-time Director of the Company, subject to the approval of the members in the general meeting, for a further period of five years with effect from 1st July' 2013. It was also approved in the above said meetings that his remuneration package should be revised in the light of present conditions with effect from 1st April, 2013 on the terms and conditions as mentioned in the proposed resolution herein above at item No.7.

The Board of Directors of your Company, therefore, recommends the passing of Special Resolution as set out at item No. 7 of Notice convening the meeting.

None of the Directors of the Company is interested in the above resolution except Shri N. D. Relan himself and Shri Ajay Relan, Smt Sharda Relan and Shri Rohit Relan as relatives to them.

ITEM NO. 8

As the members are aware, the Board of the Company is benefited by the presence of Non Executive Directors who are persons of eminence, possessing wide and rich experience of managing large and successful corporate(s).

The prevalent Corporate Governance norms call for greater participation, involvement and commitment of these Non Executive Directors. Keeping the same in mind, consent of the Company was accorded under Section 309(4) of the Companies Act 1956 for payment of Commission to Non Executive Directors Smt. Sharda Relan & Shri Rohit Relan in the 23rd Annual General Meeting of the company on 4th August 2008 for a period of five years commencing from the financial year 2008-09 and the tenure of the said approval has completed on 31st March 2013.

So now it is felt desirable, in view of the time spent and responsibilities undertaken by Smt. Sharda Relan & Shri Rohit Relan, Non Executive Directors of the Company, that the payment of Commission to them should be continued. Therefore, the Remuneration Committee and Board of Directors at their meetings held on 28th May 2013, subject to approval of shareholders, approved payment of Commission to Smt. Sharda Relan & Shri Rohit Relan, Non Executive Directors of the company for a further period of five years commencing from 1st April 2013 provided that the maximum amount of commission that may be paid to them in any financial year shall not exceed 1% of the profit computed in accordance with the provisions of Section 309 of the Companies Act, 1956.

The Board of Directors recommends the special resolution for your approval.

None of the Directors of the Company is interested in the above resolution except Smt Sharda Relan, Shri Rohit Relan himself/herself and Shri N. D. Relan and Shri Ajay Relan, as relatives of them.

ITEM NO. 9

As you are aware that the shares of your company are listed with Delhi Stock Exchange ("DSE") since the beginning but from last many years there is no trading platform available to the public shareholders on DSE. This has put the public shareholders in lot of hardship and inconvenience. So with a view to provide proper liquidity and free tradability in the company's shares, your company has got listed its shares on Bombay Stock Exchange ("BSE") in May 2013.

Now in order to streamline administrative procedures and to reduce management costs, it is proposed to get the shares de-listed from the DSE. However the shares of the company will remain listed on BSE. The approval of members sought to be obtained for voluntary de-listing of shares of the Company from said exchange.

The Board of Directors of your company, therefore, recommends the passing of the Special Resolution set out at item no 9 of the notice convening this meeting.

None of the Directors of the Company is in any way, concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

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

Place : New Delhi
Dated : 28th May, 2013

NITIN VISHNOI
Company Secretary

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the Twenty-Eight Annual Report together with the Audited Accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS:

	Year Ended 31.03.2013	(Rs. In Lacs) Year Ended 31.03.2012
Revenue from operations	89833.33	75142.19
Other Income	699.53	581.50
Total Revenue	90532.86	75,723.69
Profit before Financial Charges, Depreciation, Exceptional items & Taxes	9380.93	7,066.87
Less : Financial Costs	1093.28	933.10
Profit before Depreciation, Exceptional items & Taxes	8287.65	6133.77
A. Depreciation	3576.18	3,126.00
B. Exceptional items	357.43	-
C. Taxation		
– Current Tax	1270.00	450.00
– Deferred Tax Charged/ (Released)	483.24	(199.54)
– Adjustments for earlier years	5.82	(3.78)
Net Profit after Tax	2594.98	2761.09
Add: Profit brought forward from Previous year	1548.87	1478.88
Profit available for appropriation	4143.85	4239.97
APPROPRIATIONS		
Proposed Dividend	297.32	297.32
Tax on Proposed Dividend	48.23	48.23
Interim Dividend	297.32	297.32
Tax on Interim Dividend	48.23	48.23
Transferred to General Reserves	1500.00	2000.00
Balance carried forward to Balance Sheet	1952.75	1548.87

2. OPERATIONS

During the year under review, the revenue from operations and other income is Rs. 90532.86 lacs as against Rs. 75,723.69 lacs showing an increase of 19.56.% over the previous year's total revenue. The profit before finance charges, depreciation and taxation is Rs. 9380.93 Lacs for the financial year under review as against 7066.87 lacs for the previous year showing the increase of 32.76 %. Net Profit after Tax is down by 6% due to the higher tax liabilities during the year under review.

3. DIVIDEND

Your Directors are pleased to recommend a total dividend of Rs. 10 per Equity Share i.e. @ 100% on the paid-up Equity Share Capital of the Company for the year ended 31st March 2013, this includes an interim dividend of Rs. 5 per Equity Share i.e. @50% on the Paid-up Equity Share Capital of the Company paid during the year under review.

Final dividend of Rs. 5 per Equity Share, if approved at the ensuing Annual General Meeting, shall be paid out of the profit of the Company to those share holders whose name appear on Register of Member on 2nd September 2013.

The Cash outflow on account of dividend including interim dividends on equity share capital will be Rs 691.10 Lacs including dividend tax of Rs 96.46 Lacs.

4. CRISIL RATING

Your company continued to enjoy "CRISILA1" (pronounced "CRISILA" one) rating for the captioned Debt Programme instruments, This rating considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk

5. DIRECTORS

During the year under review Shri G.L. Tandon cease to be director of the Company, due to his sad demise. The Board place on record it's sincere appreciation for the contributions made by him during his tenure on the Board. During the year Shri Lekh Raj Channa was appointed as director of the company, he express his inability to continue as a Director of the Company due to his ill health and resigned w.e.f 30th March, 2013.

The Board has approved the re-appointment of Shri N.D. Relan as a Whole Time Director of the Company, subject to the shareholders' approval, for a further period of five year with effect from 1st July 2013.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Smt. Sharda Relan, Shri R. P. Chowdhry and Shri Udayan Banerjee, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting. In terms of clause 49 of the Listing Agreements with the Stock Exchanges, the details of the Directors to be re-appointed are being provided in the Notice of the Annual General Meeting.

6. PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 regarding employees is given in Annexure-A forming part of the Directors' Report.

7. CONSERVATION OF ENERGY

Your Company is not covered by the Schedule of Industries which are required to furnish information in Form 'A' under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

8. TECHNOLOGY ABSORPTION

The detailed information in this regard is provided in Form-'B' of The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 annexed hereto (Annexure-B).

9. CORPORATE GOVERNANCE

We strive to attain high standards of corporate governance while interacting with all our stakeholders. The Company has complied with the corporate governance code as stipulated under the Listing Agreements with Stock Exchanges.

A separate report of the Directors on Corporate Governance is enclosed (Annexure-C) which forms part of this Annual Report.

A certificate from CEO and CFO of the Company has been received by the Board certifying the compliances as stipulated in Clause 49 (V) of the Listing Agreements and is annexed as a part of this Annual Report.

The requisite certificate from Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreements is annexed to the Report on Corporate Governance.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report as required under the Listing Agreements with the Stock Exchanges as a part of Directors' Report is annexed as Annexure – 'D'.

11. FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement containing necessary information in respect of foreign exchange earnings and outgo is annexed hereto as Annexure-B and forms an integral part of this Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (I) In the preparation of the annual accounts for the under report, the applicable accounting standards have been followed
- (II) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit of the Company for the year ended on that date;
- (III) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (IV) The annual accounts have been prepared on a "going concern" basis.

13. FIXED DEPOSITS

The Company has not accepted any fixed deposits from the Public during the year under review and has nil fixed deposits outstanding.

14. STOCK EXCHANGE INFORMATION

The Equity Shares of the Company continue to remain listed on the Delhi Stock Exchange Limited and the annual listing fees for the financial year 2013-14, has been paid. Your directors are pleased to inform that the shares of your companies has got listed on Bombay Stock Exchange on 22nd May, 2013.

15. INDUSTRIAL RELATIONS

During the period under review, the Company maintained healthy, cordial and harmonious industrial relations at all levels.

Your Directors wish to place on record their appreciation of the co-operation, valuable contributions, enthusiasm and unstinting efforts made by the employees of the Company at all levels in the organization and they have ensured the accomplishment of excellent results and achievement by the Company.

16. AUDITORS

M/s S. R. Dinodia & Co. Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received letter from them to the effect that their re-appointment if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The Audit Committee and the Board of Directors recommend the re-appointment of M/s. S. R. Dinodia & Co. Chartered Accountants as the Statutory Auditors of the Company.

17. AUDITORS' REPORT

The observations of Auditors in their report read with the relevant Notes to Financial Statement are self-explanatory and therefore do not require further explanation.

18. COST AUDITORS

The Board of Director of the Company appointed M/s. Gurdeep Singh Associates, Cost Accountants, as cost auditors of the Company for the year ended 31st March, 2013. The audit reports of the cost audit report of the Company for the year ended 31st March, 2013 will be submitted to Central Government in due course.

19. STATUTORY DISCLOSURES

None of the Directors of your Company is disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. Your Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreements.

20. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from its customers i.e. Hyundai Motor India Ltd., Mahinda & Mahindra Ltd., M/ s. Tata Motors Ltd., Carrier Air-conditioning and Refrigeration Ltd., M/s. Bharat Seats Ltd. and M/s. Samsung Electronics India Ltd.

Your Directors also extend their appreciation to Yes Bank Limited, ICICI Bank Limited, State Bank of India, Punjab National Bank, Citi Bank, HDFC Bank and various Departments of Central and State Governments.

Your Directors thank all the shareholders for their continued support & Co-operation.

On behalf of the Board of Directors
For **SHARDA MOTOR INDUSTRIES LTD.**

Place : New Delhi
Dated : 28th May, 2013

N. D. Relan
Co-Chairman

Ajay Relan
Managing Director

ANNEXURES TO DIRECTORS' REPORT
ANNEXURE-A

Statement of particulars under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Report of the Directors for the Year Ended 31st March, 2013.

A. Employed throughout the year ended 31st March, 2013 in receipt of Remuneration not less than Rs. 6,000,000/-

Name	Designation & Nature of Duties	Remuneration Received (Rs. In Lacs)	Qualification & Experience (in No. of Years)	Date of Commencement of Employment	Age	Particulars of last Employment
Shri N. D. Relan	Co-Chairman /Overall Supervision	215.97	B.Com 60 Yrs.	01.07.2003	84 Yrs.	Chairman Bharat Seats Ltd.
Shri Ajay Relan	Managing Director / Supervision of business affairs of the Company	208.83	B.Com (Hons), OPM Program, From Harvard Business School, USA 29 Yrs.	01.09.1986	52 Yrs.	First Employment

B. Employed for part of the year ended 31st March, 2013 in receipt of Remuneration not less than Rs. 500,000/- per month.

Name	Designation & Nature of Duties	Remuneration Received (Rs. In Lacs)	Qualification & Experience (in No. of Years)	Date of Commencement of Employment	Age	Particulars of last Employment
Dr. Sivanandi Rajadurai	Head R&D Centre / Overall Supervision of research, design and Development activities	66.21	Ph.D (1979) in Physical Chemistry 34 Yrs	01.12.2009* 01.12.2013*	62 Yrs .	Vice President ACS Industries

* During the year under review Dr. Sivanandi Rajadurai resigned on 30th June, 2012 and rejoined the Company w.e.f. 1st December, 2012

Notes:-

- Remuneration includes Basic Salary, Allowances, Commission, Company's contribution to provident fund and monetary value of perquisites and excludes earned leave and gratuity unless paid/payable.
- The nature of employment in all cases is contractual.
- Shri N. D. Relan and Shri Ajay Relan are relative of Smt. Sharda Relan and Shri Rohit Relan, who are Non-Executive Directors of the Company.
- Pursuant to Section 217 (2A) of the Companies Act, 1956 and Rules made thereunder shareholding status of above mentioned persons, as on 31st March, 2013 is as under:

Name	Share Holdings
Shri N.D. Relan	21.20%
Shri Ajay Relan	28.50%
Dr. Sivanandi Rajadurai	NIL

ANNEXURE-B

Disclosure of the Particulars with respect to Technology Absorption as required under Companies (Disclosure of the Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the period ended 31st of March, 2013.

PART – I : DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION
FORM - B
A) RESEARCH & DEVELOPMENT (R&D)
1. Specific areas in which R&D carried out by the Company:

The Company's Research & Development Centre at Chennai, which has been recognized by the Department of Scientific and Industrial Research (DSIR), Government of India and enjoy the approval u/s 35(2AB) of Income Tax, Act, is well equipped with the latest testing equipments. A team of morethan 55 highly qualified automobile engineers are fully committed towards attaining targets set by the Management.

The Company's Research & Development Centre continued and expanded its research work in improving the design, process and methods for manufacturing the automotive components and developing new improved method.

2. Benefits derived as a result of the above R&D:

- Overall cost reduction, efficiency, improved utilization/productivity of existing manufacturing facilities.
- Effective Value Engineering and value analysis for optimization of the exhaust system.
- Technical competitive analysisof exhaust system thereby implementing those ideas in new projects.
- Compliance of regulatory norms / requirementsfor global emission and noise control.
- Enhancement in quality and services to the customers.
- Development of new product design / processand new technology
- Reduction in manufacturing & delivery time.
- Reduction in rejection / waste.

3. Future plan of action:

Steps are continuously being initiated to strengthen the existing research projects in hands and to undertake new research & development assignments with an objective of efficient utilization of raw material, cost optimization of existing products and production of better quality products through the implementation of process automation techniques like Catalytic Converter soft canning and Muffler Lock Seam process. A very well defined and acquainted test facilities are being established.

4. Expenditure on R&D:

	(Rs. in Lacs)
	2012-13
a) Capital	93.07
b) Recurring	425.85
Total	518.92
c) Total R&D expenditure as a percentage of total sales, net of Excise Duty.	0.58%

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION
Efforts made in brief:

- All efforts are being made to implement the in-house design, development and validation for products / processes.
- Laying great emphasis on the absorption of the design and manufacturing technology of automotive components.
- The Company has a team of highly qualified and experienced automobile engineers who are fully committed towards achieving the corporate objective of growth and excellence.
- Continuous efforts are being made in the areas of Quality improvement, waste reduction, process capability in major equipment and cost optimization to specially improve the Market acceptance of Company's products.
- Imparting training programs by foreign technicians in various manufacturing techniques.

- Participating in conferences, seminars and exhibitions.
- Learning technology by working with international technology partners for expansion and modernization programs.
- Analyzing feedback from users to improve products and services.

Benefit derived as a result of the above efforts:

- Adoption of most modern technology supplied by the technical collaborators.
- Computational modeling and optimization tools and software are available with world class standards.
- Joint technical development with Ricardo/Bosal for EURO 5 & EURO 6 systems.
- Improvement in existing products' quality and performance, and adoption of several innovations in product design as well as process enabling the Company to maintain its leadership in a highly competitive market.
- Reduction in maintenance & operating cost to end user.
- Up-gradation of process technology in many areas.
- Import substitution.
- Reduced dependence on technical collaborators.

Particulars of Technology Imported during the last five years:

Innovation/ Technology	Year of Import	Status
Exhaust System Manufacturing, Testing and Validation	Recurring since 1998-99	Commissioned & Ongoing

PART - II : DISCLOSURE OF PARTICULARS WITH RESPECT TO FOREIGN EXCHANGE EARNING AND OUTGO
FORM-C
1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for production and services.

The Company during the year under review has made exports of exhaust muffler for static engine of Rs. 1690.69 lacs.

The Company is also taking initiatives to explore export market for other products being manufactured by the Company.

2. Total Foreign Exchange used and earned

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 2012-13.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz., the Board of Directors, the senior management, employees, etc. The Company had in fact adopted Corporate Governance and disclosure much before these were mandated by legislation.

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

Your Directors present the Company's annual report on Corporate Governance for the year ended 31st March, 2013 as per the format prescribed by the SEBI and revised clause 49 of the Listing Agreements, as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company emphasises 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

Composition of the Board

The Composition of the Board of your Company is in conformity of Clause 49 of Listing Agreement, as amended from time to time. As on 31st March 2013, the Board of Directors of the Company comprises of Nine Directors and the Chairman of the Board is a Non-Executive Independent Director. The SMIL Board is balanced Board, comprising of Executive and Non-Executive Directors. The Non-Executive Directors including Independent Directors are eminent professional from diversified fields.

During the year 2012-2013, four Board Meeting held on 27th April, 2012, 27th July 2012, 9th November, 2012 and 6th February, 2013.

The Names, designation and categories of the Directors on the Board, their attendance at the Board Meeting held during the years and last Annual General Meeting and numbers of Directorship and Committee Chairmanship/Memberships held by them in other Companies is given below. Other Directorship include only Directorship in Public Company, Chairmanship/Membership of Board Committees includes Chairmanship/ Memberships of Audit and Shareholder Grievance Committee.

Details of composition of Board, their attendance at the Board meetings and last Annual General Meeting, other directorships, membership/chairmanships of committees and their shareholdings are tabulated hereunder:

S. No	Name of the Director & Designation	Director identification Number	Category of Directorship	No of Board Meetings attended during 2012-13	Attendance at Last AGM held on 12th September, 2012	Directorship of other Companies		Committees positions In other Companies		Share holding\$
						Chair-man	Mem-ber^	Chair-man	Mem-ber^	Ordinary share of Rs. 10/- each
1.	Shri Kishan N. Parikh (Chairman)	00453209	Independent/ Non-Executive	1	YES	-	3	-	2	Nil
2.	Shri N. D. Relan (Co- Chairman)	00240280	Executive	4	YES	2	1	-	4	488,020
3.	Shri Ajay Relan (Managing Director)	00257584	Executive	4	YES	-	2	-	-	810,378
4.	Smt. Sharda Relan (Director)	00252181	Non-Executive / Non Independent	4	YES	-	1	-	-	742,520
5.	Shri Rohit Relan (Director)	00257572	Non-Executive / Non Independent	4	YES	-	2	-	-	478,818
6.	Shri R. P. Chowdhry (Director)	00337775	Independent/ Non-Executive	4	YES	-	-	-	-	600
7.	Shri G. L. Tandon (Director) *	00047033	Independent/ Non-Executive	1	NO	-	-	-	-	Nil
8.	Shri O. P. Khaitan (Director)	00027798	Independent/ Non-Executive	4	YES	-	6	4	10	Nil
9.	Shri Udayan Banerjee (Executive Director)	00339754	Executive	4	YES	-	-	-	-	Nil
10.	Prof. Ashok Kumar Bhattacharya (Director)	02804551	Independent/ Non-Executive	1	NO	-	-	-	-	Nil
11.	Shri Lekh Raj Channa (Director)&**	06479918	Independent/ Non-Executive	1	N.A.	-	1*	-	1*	Nil

^ Membership includes Chairmanship

* Ceased to be Director of the Company w.e.f. 2nd August, 2012 due to his sad demise.

& Appointed as Director w.e.f. 10th January, 2013

** Stepped down as a Director w.e.f. 30th March, 2013

\$ Shareholding represent holdings of Director in his personal Capacity as on 31st March 2013.

COMMITTEE OF THE BOARD

(i) Audit Committee

The Audit Committee of the Company constituted as per the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges, is operative as per following terms and conditions:

- Review of Management discussion and analysis of financial condition and results of operation; Statement of significant related party transactions;
- Review the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment, reappointment and removal of the Statutory Auditors, fixing of audit fees and approval for payment of fees for any other services rendered by the Auditors;

- Reviewing with the management, the quarterly/annual financial statements before submission to the Board for approval, with particular reference to:-
 - a) matters required to be included in the Director's Responsibility Statement which forms part of the Director's Report pursuant to Clause (2AA) of Section 217 of the Companies Act, 1956;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) significant adjustment made in the Financial Statements arising out of audit findings;
 - d) compliance with listing and other legal requirements relating to financial statements;
 - e) disclosure of any related party transactions;
 - f) qualification in the draft audit report
 - Reviewing Management Discussion and Analysis report;
 - Reviewing performance of statutory auditors and adequacy of internal control system with the management;
 - Reviewed the Company's financial risk and management policies.
 - Review any other area which may be specified under the Listing Agreements, Companies Act, 1956, other Statutes, Rules and Regulations as amended from time to time.

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

During the year 2012-13 four Audit Committee meetings were held on 27th April, 2012, 27th July, 2012, 9th November, 2012 and 6th February, 2013.

The composition of the Audit Committee and their attendance at the Committee meetings held during the year ended 31st March, 2013 is as under:

S. No	Member Director & Designation	Category	No. of Meetings attended during 2012-13
1	Shri O. P. Khaitan, Chairman \$	Independent/ Non-Executive	1
2	Shri N. D. Relan	Executive Director	4
3	Shri Kishan N. Parikh \$\$	Independent/ Non-Executive	None
4	Shri R. P. Chowdhry*	Independent/Non-Executive	3
5	Shri G L Tandon, Chairman**	Independent/ Non-Executive	1

\$ Appointed as Chairman of Committee, w.e.f. 6th February, 2013

\$\$ Appointed as member of Committee, w.e.f. 6th February, 2013

* resigned from membership with effect from 6th February, 2013

** ceased to be Chairman and member of the Audit Committee w.e.f. 2nd August, 2012 due to his sad demise.

As on 31st March, 2013 the Audit Committee of the Company comprises of three Directors out of which two are Non-Executive Independent-Directors, Shri O. P. Khaitan is the Chairman of the Committee who is a Non-Executive Independent Director. The constitution of Audit Committee meets the requirement of Section 292(A) of the Companies Act, 1956, as well as Clause 49 of Listing Agreement. All the members of Audit Committee are financially literate and have expertise in finance. Chairman of the Committee was not present at the last Annual General Meeting held on 12th September, 2012, due to his sad demise. However Shri O. P. Khaitan was present at said the meeting to address the Shareholders queries.

Managing Director, CFO and Statutory Auditors are the permanent invitees to the Audit Committee meetings.

Shri Nitin Vishnoi, Company Secretary, is the Secretary to the Committee and attended all its meeting held during the year under review.

(ii) REMUNERATION COMMITTEE:-

The terms of reference of the Remuneration Committee, inter-alia consists of reviewing the overall remuneration policy, service agreement and other employment conditions of the Managing Director and Executive Directors of the Company with a view to retaining and motivating the best managerial talents. In determining the remuneration package of Managing and/or Executive Director(s), it evaluates the performance of the Managing and/or Executive Director(s) and also the financial position of the Company and its profits or loss during the year.

During the financial year 2012-13 one Remuneration Committee Meeting was held on 27th July, 2012.

The composition of the Committee and their attendance at the Committee meeting held during the year ended 31st March, 2013, are as under:

S. No	Member Director & Designation	Category	No. of Meetings attended during the year
1.	Shri R. P. Chowdhry, Chairman*	Non Independent/Non-Executive	1
2.	Shri Kishan N. Parikh	Independent/Non-Executive	1
3.	Prof. Ashok Kumar Bhattacharya \$	Independent/Non-Executive	None
4.	Shri O. P. Khaitan, Chairman**	Independent/Non-Executive	1

* Appointed as Chairman of the Committee w.e.f. 6th February, 2013

\$ Appointed as a Member of the Committee w.e.f. 6th February, 2013

** Resigned from Chairmanship w.e.f. 6th February, 2013

The functioning and terms of reference of the Committee are as prescribed under the Listing Agreements with the Stock Exchanges and under the Companies Act, 1956.

REMUNERATION POLICY

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 Remuneration Committee) and the Shareholders of the Company in General Meeting and such other approvals as may be necessary under the Companies Act, 1956.
- The Non-Executive Directors are paid sitting fees and commission in certain cases in accordance with the provisions of Section 198 and 309 of the Companies Act, 1956..

REMUNERATION OF DIRECTORS

Remuneration of Executive Directors largely consists of fixed component like Salary, allowances, perquisites and commission being the variable component. The details of remuneration paid to Directors of the Company during 2012-13 are tabulated hereunder:

Executive Directors (Rs. In Lacs)

Name of Director	Salary	Commission	Perks	Total
Shri N. D. Relan	156.00	20	39.97	215.97
Shri Ajay Relan	150.00	20	38.83	208.83
Shri Udayan Banerjee	23.04	-	5.58	28.62
Total	329.04	40	84.38	453.42

Non-Executive Directors (Rs. In Lacs)

Name of Director	Sitting fee	Commission	Total
Smt. Sharda Relan	0.80	20	20.80
Shri Rohit Relan	0.80	20	20.80
Shri R. P. Chowdhry	1.70	-	1.70
Shri G. L. Tandon	0.30	-	.30
Shri O. P. Khaitan	1.30	-	1.30
Shri Kishan N. Parikh	0.20	-	.20
Prof. Ashok Kumar Bhattacharya	0.20	-	.20
Shri Lekh Raj Channa	0.30	-	.30
Total	5.70	40	45.70

Notes:

1. The service contract for Executive Directors of the Company is 5 years from the date of their appointment;
2. At present the Company does not have any Employee Stock Option Scheme;
3. Notice period is three calendar months or lesser notice in writing as may be agreed mutually.
4. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors;
5. The Commission paid to Non-Executive Directors is approved by the Board of Directors and Shareholders of the Company within the limits stipulated under the Companies Act, 1956;
6. Non-Executive Directors did not have any pecuniary relationship or transactions vis-à-vis the Company except the payment of dividend on the Equity Shares held by them in the Company.
7. Details of the shares held by Non-Executive Directors as on 31st March, 2013 are tabulated hereunder:

S. No.	Name of Non-Executive Director	No. of Shares held
1	Smt. Sharda Relan	742520
2	Shri Rohit Relan	523218
3	Shri R. P. Chowdhry	600
4	Shri G. L. Tandon	Nil
5	Shri O. P. Khaitan	Nil
6	Shri Kishan N. Parikh	Nil
7	Shri Udayan Banerjee	Nil
8	Prof. Ashok Kumar Bhattacharya	Nil

(iii) SHAREHOLDERS GRIEVANCE COMMITTEE:-

During the year 2012-13 four Shareholders' Grievance Committee meetings were held on 27th April, 2012, 27th July, 2012, 9th November, 2012 and 6th February, 2013.

The Shareholders' Grievance Committee comprises of the following persons:

S. No	Member Director & Designation	Category	No. of Meeting attended during the year
1	Shri Kishan N. Parikh, Chairman*	Independent/Non-Executive	-
2	Shri O. P. Khaitan	Independent/Non-Executive	4
3	Shri R. P. Chowdhry **	Non Independent /Non-Executive	4
4	Shri N. D. Relan \$	Executive Director	4
5	Shri Lakh Raj Channa \$\$	Independent/Non-Executive	1

* Chairman of the Committee w.e.f. 6th February, 2013

** Resigned form Chairmanship of the Committee w.e.f. 6th February, 2013

\$ Resigned form membership of the Committee w.e.f. from 6th February, 2013

\$\$ Resigned from membership of the Committee w.e.f. 6th February, 2013

The terms of reference of Shareholders Grievance Committee inter-alia deals with various matters relating to:-

- Issue of Duplicate Share Certificates;
- Non-receipt of Annual Report, declared dividend, Share Certificates and pertaining to transfer / transmission of Shares etc.;
- Monitors expeditious redressal of investors grievances;
- The Committee also considers the request of the Shareholders for splitting/ consolidation/ renewal of certificate as may be referred by the Share Transfer Committee.

Shareholder/Investor Complaints :

Complaint pending as on 1st April, 2012	:	NIL
During the period 1st April, 2012 to 31st March, 2013	:	1
Complaint disposed off during the year ended 31st March, 2013	:	1
Complaints unresolved as on 31st March, 2013	:	NIL
No of pending Complaints	:	NIL

The Company has acted upon all valid requests for issue of duplicate Share Certificates, share transfer / transmission received during the year under report and no such issue of duplicate Share Certificates, transfer / transmission is pending as on 31st March, 2013

4. GENERAL BODY MEETINGS:-

Particulars of Annual General Meetings held during the last three years:

AGM NO.	Year	Venue	Date	Time	No. of Special Resolutions
27th	2011-12	India Habitat Centre, New Delhi	12th September, 2012	12:30 pm	Two
26th	2010-11	India Habitat Centre, New Delhi	8th August, 2011	12:30 pm	One
25th	2009-10	India Habitat Centre, New Delhi	18th August, 2010	12:30 pm	None

All special resolutions moved at last three Annual General Meetings were passed by show of hands by requisite majority of Members attending the meeting and none of these resolutions were required to be passed by postal ballot.

5. DISCLOSURES:-

- I. The Board has received disclosures from Key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. The particulars of transactions between the Company and its related parties as per the Accounting Standards 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in relevant Notes to Financial Statement in the Annual Report. However, these transactions are not likely to have any conflict with the Company.
- II. As per the Articles of Association of the Company and relevant provisions of the Companies Act, 1956, Smt Sharda Relan, Shri R.P. Chowdhry and Shri Udayan Banerjee would retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

All the above re-appointments are subject to the approval of members of the Company in the ensuing Annual General Meeting. A brief resume of the above Directors recommended for re-appointments at the AGM are furnished in the Notice of the Annual General Meeting of the Company.

The information relating to the Directors being re-appointed at the ensuing Annual General Meeting are furnished in the Notice of the Annual General Meeting of the Company.
- III. 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.
- IV. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI

6. MEANS OF COMMUNICATION

- The un-audited quarterly / half yearly financial results are announced within 45 days of the end of the quarter as stipulated under Clause 41 of the Listing Agreements. The aforesaid financial results are reviewed by the Audit Committee and taken on record by the Board of Directors and are communicated to the concerned Stock Exchanges by way of hard copy, soft copy and also newspaper cutting of the published results;
- The audited annual results are announced within Sixty Days from the end of the last quarter as stipulated under Clause 41 of the Listing Agreements. The said audited annual results are also reviewed by the Audit Committee and taken on record by the Board of Directors, are communicated to the concerned Stock Exchanges by way of hard copy, soft copy and also newspaper cutting of the published results.
- Such Results are published within 48 hours in two Newspapers, one in English newspaper and the other is in Hindi newspaper.

- The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.
- Detailed section on Management Discussion and analysis is given by means of separate annexure and is attached to the Directors' Report.
- The Financial Results and other Corporate Informations are available on the SMIL website "www.shardamotors.com"

7. GENERAL SHAREHOLDERS' INFORMATIONS
I. Annual General Meeting to be held:

Day	:	Monday
Date	:	2nd September, 2013
Time	:	12.30 p.m.
Venue	:	Habitat World, India Habitat Centre, Lodhi Road, New Delhi

II. Date of Book Closure : 27th August, 2013 to 2nd September, 2013 (Both days inclusive)
III. Dividend Payment:

An interim dividend of Rs.5.00 per Equity Share i.e. 50% on the paid up equity capital of the Company for the financial year 2012-13, was paid on 6th February, 2013. The Board has also recommended the final dividend @ Rs 5 per Equity Share which will be paid within the prescribed statutory period, subject to declaration by the shareholders at the ensuing Annual General Meeting.

IV. Listing on Stock Exchanges:

a) Delhi Stock Exchange Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi-110002.
Stock Code 19102
ISIN No. INE597I01010\

b) BSE Ltd. (BSE)*, Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001
Scrip Code 535602
Trading Symbol "SHARDA"
* Company has got the Listing permission form BSE Ltd on 22nd May, 2013

c) Payment of Listing Fees
Annual Listing fee for the year 2013-14 has been paid to the Stock Exchanges.

d) Payment of Depository Fees
The Company has a tripartite agreement with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has also paid the annual custodial fee for the year 2013-14 to both the depositories.

e). High/Low in each month of last F.Y.
There was no transaction in the company's share during the last financial year. The shares of the Company were last traded on 22nd January, 1998 at the price of Rs.13/- per share

f). Performance in comparison to broad based indices such as DSE/BSE
Till 31st March, 2013 Shares of the Company are only listed on Delhi Stock Exchange (DSE) and no transaction was took place during the year through DSE. However Company got the trading permission on Bombay Stock Exchange (BSE) w.e.f. 22nd May, 2013.

g). 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 hereunder:-

M/s. Alankit Assignments Ltd,
Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055.
Phone: 011-42541234, 23541234, Fax: (011) 42541967

h). Share Transfer System and other related matters:
The shares which are received in physical form for transfer / transmission / splitting etc. are immediately processed and dispatched within the stipulated time period. The Share Transfer Committee of the Company generally meets fortnightly or when required for approving the share transfers and for other related activities.

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

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

I) Shareholding
a) Distribution of Shareholding as on 31st March, 2013

S.NO	No. of Equity Shares Held	Shareholders Nos.	% of Shareholders	No. of Shares held	% of Shareholders
1	Upto – 500	337	63.109	51710	0.87
2	501 – 1000	57	10.674	44735	0.752
3	1001 – 2000	44	8.24	68750	1.156
4	2001 – 3000	23	4.307	65365	1.099
5	3001 – 4000	6	1.124	22550	0.379
6	4001 – 5000	7	1.311	31850	0.536
7	5001 – 10000	13	2.434	93600	1.574
8	10001 & Above	47	8.801	5567766	93.634
	Total	534	100	5946326	100

b) Shareholding Pattern as on 31st March, 2013

	CATEGORY	NO.OF SHARES HELD	% OF TOTAL
A.	PROMOTERS HOLDING		
	1. Promotors		
	- Indian Promoters	16	79.723
	- Foreign Promoters	-	-
	2. Persons acting in concert	-	-
	Sub-Total	16	79.723
B.	NON-PROMOTERS HOLDING		
	1. Institutional Investors		
	a) Mutual Funds and UTI		
	b) Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions, Non Govt. Institutions)		
	c) Foreign Financial Investors	-	-
	Sub-Total	-	-
	II. Others		
	a) Private Corporate Bodies	11	1.850
	b) Indian Public		
	I) Resident Ordinary	502	18.394
	II) HUF	5	0.033
	c) NRI/ OCBs	-	-
	d) Any Other	-	-
	Sub-Total	518	20.277
	Grand Total	534	100.000

J) Dematerialization of Shares

As on 31st March, 2013, 89.91% of the Company's total paid-up capital representing 5,346,175 Equity Shares were held in dematerialized form and balance 10.09% representing 600,151 Equity Shares were held in physical form.

K). Reconciliation of Share Capital Audit

As stipulated by the Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the secretarial audit and provides a report to reconcile the total admitted capital with National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital.

This audit is carried out every quarter and report thereon is submitted to the Stock Exchanges. The audit, inter-alia, confirms that the total issued capital and paid-up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized or (held with NSDL and CDSL) and total number of shares in physical form.

L). Outstanding GDRs / ADRs / Warrants : Not Issued.**M. Plant Locations:**

- 1 58 KM, Delhi Jaipur Highway, Behind Terry Soft, Village & P. O. Binola
- 2 Plot No. A-1/8, MVML Vendor Park MIDC, Phase IV, Nigo JE Chakan, Pune (Maharashtra)
- 3 Sipcot Industrial Park, Irungattu Kottai, Sriperumbudur Taluka, Kancheepuram Dist. (Tamil-Nadu)
- 4 Mahindra World City, Changalpattu Taluk, Kancheepuram Dist. Industrial Park (Tamil Nadu)
- 5 Plot No.276, Udyog Vihar, Phase-VI, Gurgaon (Haryana)
- 6 Plot No. 366, Pace City - II, Udyog Vihar, Phase IV, Gurgaon. (Haryana)
- 7 Plot No.4, Sector-31, Greater Noida, Distt. Gautam, Budh Nagar, (Uttar Pradesh)
- 8 Plot No. 4, Sector-2, I.I.E. Ranipur, Haridwar, (Uttanchal)
- 9 Plot No.112, M.I.D.C., Satpur, Nasik (Maharashtra)
- 10 Plot No. 52/1, 52/2, 53/2A, 54A, 54B, 54C & 54D, Behind Ceat Company, Satpur, Nashik (Maharashtra)
- 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, (Uttar Pradesh)

N) Address for Investors Correspondence: For Shares held in Physical Form

Shri Jagdeep Kumar Singh
M/s. Alankit Assignments Ltd.
Registrar and Transfer agent, Alankit House,
2E/21, Jhandewalan Extension,
New Delhi-110055
Tel : 011-42541234, 23541234
Fax : 011-23552001 E-mail: info@alankit.com

For Shares held in Demat Form

To the investor's Depository Participant(s) and / or Alankit Assignments Ltd. Communication may also be sent by e-mail at the following addresses:

nitin.vishnoi@shardamotor.com

(exclusively for the purpose of registering complaints by the investors)

O. Compliance with Code of Conduct

According to Clause 49 of the Listing Agreements, 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 2012-13.

AJAY RELAN
Managing Director

P. CEO/CFO Certification

According to Sub-Clause V of Clause 49 of the Listing Agreements, we have certified to the Board that for the financial year ended March 31, 2013, the Company has complied with the requirements of the said sub-clause.

PLACE : New Delhi
DATED : 28th May, 2013

PRADEEP RASTOGI
Chief Financial Officer

AJAY RELAN
Managing Director

Auditor's Certificate on compliance of conditions of Corporate Governance as per clause 49 of the Listing Agreement with the Stock Exchange

To the Members of

M/s. **SHARDA MOTOR INDUSTRIES LTD.**

We have examined the compliance of the conditions of Corporate Governance by Sharda Motor Industries Limited, for the year ended on 31st March 2013, as stipulated in clause 49 of the Listing agreement of the said Company with the stock exchange.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of 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 Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing agreement.

We state that no Investor grievances during the year ended on 31st March 2013 was received by Company.

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

For S. R. DINODIA & CO.
Chartered Accountants

PLACE : New Delhi
DATED : 28th May 2013

SANDEEP DINODIA
Partner
(M. No. 083689)

MANAGEMENT DISCUSSION AND ANALYSIS

The objective of this report is to share and keep you abreast with the happenings and transformations occurring within the Company, in industry and economy, manufacturing processes, technology and overall business strategies.

Among other things, the management discussion and analysis report provides an overview of the previous year of operations and how the company fared. It also provides an insight of the coming year, outlining future goals and approaches to new Project.

We begin with a general review of the industry, macro economy followed by the operational and financial details of the company including details of its human resources, research and development activities.

A. INDUSTRY STRUCTURE, DEVELOPMENTS AND OUTLOOK

Automotive industry is the key driver of any growing economy. on account of its deep forward and backward penetration into every segment of the economy, the industry has a strong and positive multiplier effect and thus propels the progress of a nation.

The automotive industry comprises of the automobile and the auto component sectors. It includes passenger cars; light, medium and heavy commercial vehicles; multi-utility vehicles such as jeeps, scooters, motor cycles, three wheelers, tractors, etc; and auto components like engine parts, drive and transmission parts, suspension and braking parts, electrical, body and chassis parts; etc.

The Indian automotive industry has made rapid strides since delicensing and opening up of the sector in 1991. It has witnessed the entry of several new manufacturers with the state of art technology, thus replacing the monopoly of few manufacturers.

The norms for foreign investment and import of technology have also been liberalized over the years for manufacture of vehicles. At present, 100% foreign direct investment (FDI) is permissible under the automatic route in this sector, including passenger car segment.

Overall Indian Automobile Industry has shown marginal growth in FY 2012-13 compared to the last FY 2011-12. According to Autobei Autobus Consulting Group (ACG), Production and Domestic sales have registered a growth of 1.20% and 2.61%, however exports have shown negative growth due to negative global environment and fluctuations.

One of the hot spot in world automotive industry is the Indian car market. The Indian car industry is going thru turbulent times. Car sales are down by more than 6% in FY 2012-13 compare to last year of FY 2011-12. The main reasons are high interest rates, fuel price, high inflation, low movement in other sectors etc. Utility vehicle segment is having maximum growth in this segment.

The Indian economy is expected to grow at a higher rate during 2013-14. however due to higher borrowing cost adverse currencies fluctuation and surge in commodity and fuel prices, the growth in automobile industry is moderate during the current fiscal year

B. OPPORTUNITIES & THREATS

OPPORTUNITIES

The fortune of the Auto Component Industry is closely linked to that of the Automobile Industry. Your company has developed a comprehensive range of products for existing customers, which enable us to obtain additional business from existing clients as well as new clients, and also believe that ability to be accessible to customers, flexible approach & ability to meet the customers requirements and positive attitude in servicing customers has helped increase customer satisfaction levels and is a competitive strength.

Strong demand from the OEM segment remains a key driver for the Auto Components Industry. While the global turmoil and tight liquidity conditions caused a major challenge to the Auto Components Industry, there are visible signs of a recovery.

As has been the trend, Domestic Automotive OEMs will continue to constitute majority of the demand. Nevertheless, with increasing number of International OEMs setting up their manufacturing base in India, the percentage share from them is expected to increase. Increasing collaboration with auto component manufacturers across the automotive value chain, especially the designing and engineering segments is expected to support the growth of the industry.

In addition, the ability to provide operational efficiency, cost benefits and innovation for reducing vehicle weight and costs will be the key to sustenance for Indian Component makers like your Company.

Supportive Government policies, a positive business environment, availability of reasonably priced talented workforce and stable outlook for the industry has made India a global hub for the International Manufacturers to set up their facilities in the country.

Some driving factors of The Indian auto component industries are

- Proficiency in technical know-how facilitated re-engineering capabilities in line with customer demands
- Enhanced automation • Flexibility of production in terms of batch size and enhanced capacity utilisation.
- High competence in design, development and simulation attracting new international buyers
- Enhanced product and process integration using India's IT-based engineering solutions and a qualified trained workforce
- Access to cutting-edge global technologies, comprising ISO/QS certifications benchmarked in line with global standard

THREATS

The auto component industry has been exposed to many threats of varying intensity. The hardening of interest rate, tightening money supply, volatility in the price of raw materials and other inputs, currency fluctuations, OEM's demand for price reduction, stiff competition because of the entry of Multinationals and their home country partnerships, and stringent emission norms are the major risks and challenges faced by the Companies. It is forcing Companies to plan operations effectively and produce quality components at lower costs.

steel is the key input for Auto Component industries, and any increase in raw material price has a direct bearing on selling price. However, most of our customers have an agreement to compensate us for increases in the price of steel, and hence we remain insulated to that extent.

Some other threats for auto component industry are as hereunder:

- Slow down in US, Europe and Indian economy could affect the sales of the Company
- Fluctuating crude price could impact the margins of the Company.
- Hardening of Indian rupee in future will affect the Company's competitiveness in the export market and profit performance.
- Power shortage is a major concern for the Company
- The cost of import is going up and putting pressure on margin
- In the line of WTO directions, import duties were lowered for automotive components, which resulted in competition from the overseas players from low cost countries. Depreciation of rupee is attracting more overseas customer from exports markets
- Increase in Inflation, Tightening of liquidity position and Hardening of consumer interest rates will adversely affect the domestic automotive market

C. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

Segment-wise performance has been reported on Annual Report for the year ended 31st March, 2013.

D. RISKS AND CONCERNS

Risk is an integral part of the business process.

The Company is exposed to external and internal risks associated with the business. The operations of the Company are directly dependent on the Automobile manufacturer's (OEMs) growth and business plans. General economic conditions impact the automotive industry, and in turn, the operations as well. To counter these risks, your company continues to broaden the product portfolio, increase customer base and geographic reach. The Company is exposed to strong competitive pressures from both domestic and overseas. Your company's established reputation, close customer relationships, ability to provide higher level of engineering, design support and relentless drive for improvement gives it a competitive edge. The Company is also exposed to financial risk such as changes in interest rates, foreign exchange rates and commodity prices. In order to address these risks the company has been implementing adequate risk management approach.

To enhance the risk management process, the company has mapped the risks. A system has been formulated based on Balanced Score Card with various appropriate measures and accountabilities to identify, assess, prioritise and mitigate the risks. Reports generated from the system are monitored regularly to ensure that appropriate corrective actions are taken. The management of your Company is continuously analyzing and evaluating the various risks associated with the Company's business and has adopted risk management practices to minimize the adverse impact of these risks on the business and transfers risk to opportunity.

The Company is exposed to the Following risk as under:

Business risk: are inherent in automobile industry due to economy's growth, risks of technological obsolescence due to stricter emission/safety norms and more intense competition. Other potential risks include disruption in production due to act of God and man-made. All these risks are continuously addressed in the business plans-both long term as well as short term; risk mitigation strategies are drawn up and acted upon.

Financial risk: Availability of credit at affordable interest, fluctuations in price of raw material in the domestic/international Market and price reduction demanded by OEMs is area of great concern.

Manufacturing risk: The Company manufactures its products at multiple locations and its operations could be affected by disruption in its supply chain due to any natural calamities and work stoppages at its suppliers' end due to load shedding, labour problems, etc.

Assets risk: include threat to physical assets through accidents, natural calamities, obsolescence, etc. The Company has an internal system to assess these risks, define the limits of exposure for operation and take appropriate insurance cover.

Input Costs: Input costs on account of commodities like steel, non-ferrous, precious metals, rubber and petroleum products have risen over the year and resulted in higher input costs. While the Company Continues to pursue cost reduction initiatives, rises in commodity prices and other costs resulting from inflationary pressures, could impact the Company's profitability to the extent that the same are not absorbed by the market through price increases and/or could have a negative impact on the demand. In addition, because of intense price competition and the high level of fixed costs, the Company may not be able to adequately address changes in commodity prices even if they are foreseeable.

Completion Indian automobile Industries is expected to be one of the fastest Growing Market in the World, Many global player are significantly expanding their presence in India. There is a concern that this will result in an even increasing level of competition and intense pressure on the profit margin of all participants.

Exchange Rates: The Company's operations are subject to risk arising from fluctuations in exchange rates with reference to countries from which we procure our input material. These risks primarily relate to fluctuations of Indian Rupee against US Dollar, Pound and Euro.

E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

SMIL has comprehensive system of internal controls to safeguard and protect all assets against loss from unauthorized use or disposition and to ensure accurate recording and reporting of all transaction. This controls framework is supported by robust process of internal audits, review by management, documented policies, procedures and guidelines.

The internal controls are designated to ensure that financial and other records are reliable for preparing financial information and for maintain accountability of assets. In an IT driven networked environment, validation of ERP implementation and IT securities continue to receive focused attention from the internal audit team at SMIL. Internal audit preformed by an in-house team, which consists of Chartered Accountant, Company Secretary, Cost Accountants, certified fraud examiners and certified fraud examiners and certify internal auditors,. All the financial and operational internal control system is vetted by Board of Directors and its Audit Committee.

SMIL has adopted preventive as well as detective audit approach to identify the gaps, if any and implement the requisite corrective measures to strengthen the control environment. The Company has per-audit system, and effective preventive control apparatus which covers cash payments and major contracts at the head office and the units.

Regular system audits, a part of detective controls includes process and transaction audits, which are preformed on the basis of an annual risk based audit plan. All high risk and critical areas covered ones in a year across all units and locations, which include raw material procurement, quality assurance, general procurement, inventory management, overtime, contracts, operations review, exports, imports, engineering and utilities.

Transition level risk assessments studies of all operations across all units have been conducted by the internal audit department.

Annual audit plans are prepared at the beginning of the year, specifying areas to covered and the timing there of Quarterly MIS of progress on the annual audit plan is submitted to management.

The scope of internal audit extends to all functions and locations of company. The Company has also complied with revised clause 49 of the listing agreement.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of Companies Act, 1956 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The management of SMIL 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 is appearing in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual Report. For financial highlights please refer heading 'Financial Results' of Directors Report.

G. HUMAN RESOURCES AND DEVELOPMENT

Your management believes that Employees are primary builders and the foundation stone of an organization. Proper management of human resource is very vital for the success of an organization. The Company focuses on recruiting the best talent in the industry as the right people steer the organization in the right direction.

Your company provides an environment to its employees to take higher responsibilities and stretch assignments from very early stages of their career. In the manufacturing units, for each activity there is a person declared as the owner of that activity, who takes the onus of maintaining and improving the activity.

Industrial relations were cordial at all the sites of the company during the year under report.

As at 31st March, 2013, the total number of employees on Company's roll stood at 1282.

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 Departmental Heads and countersigned by Managing Director of the Company is given at each Audit Committee Meeting of the Board.

Further pursuant to revised Clause 49 of the Listing Agreement, the Company has started taking a CEO declaration in respect of compliance of the Code of Conduct adopted by the Company. A certification from CEO and CFO is also adopted on yearly basis certifying the compliances as stipulated in Clause 49 (V) of the Listing Agreement.

I. CAUTIONARY STATEMENT

The above mentioned statements are only "forward looking statements" based on certain assumptions/expectations. The Company's actual performance could differ materially from those expressed/projected depending upon changes in various factors. The Company does not assume any responsibility to any change(s) in "forward looking statements", on the basis of subsequent development, information or events etc

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

M/s SHARDA MOTOR INDUSTRIES LIMITED

We have audited the accompanying financial statements of **M/S SHARDA MOTOR INDUSTRIES LIMITED**, ("the Company"), which comprise the Balance Sheet as at **31st March, 2013**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S. R. DINODIA & CO.
CHARTERED ACCOUNTANTS
(REGN. No. 01478N)

PLACE : New Delhi
DATED : 28th May, 2013

(SANDEEP DINODIA)
PARTNER
M.NO. 083689

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of report on legal and regulatory requirements' paragraph on our audit report of even date)

- i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the program is reasonable having regard to the size of the Company and the nature of the fixed assets. No material discrepancies were noticed on such verification as compared to book records.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
- ii) (a) On the basis of information and explanation provided by the management, Inventories have been physically verified by the management during the year except the inventories in transit and lying with the third parties. In our opinion, the frequency and the procedure of physical verification followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (b) In our opinion, frequency and the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) (a) According to information and explanation given to us, the company has not granted loan to Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year
- (b) According to information and explanation given to us, the Company has taken unsecured loans from four parties entered in the register maintained u/s 301 of the Companies Act, 1956 during the year. (Maximum amount due during the year is and closing balance is Rs 422,056,975/-). The rate of interest and other terms and conditions on which such loan has been taken are not prima facie prejudicial to the interest of the Company. The company is regular in repayment of principal and interest amount as stipulated.
- (c) During the year, the company has received mobilization advance from its customer covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs.22,500,000/- and year end balance of such advances is Nil.
- (d) In our opinion and according to the information and explanations given to us, rate of interest and other terms and conditions on which such mobilization advance has been received are not prima facie prejudicial to the interest of the Company.
- (e) The aforesaid mobilization advance, as also informed by the management, has been adjusted against the supplies to the said customer.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets, sales of goods and services. According to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of opinion that the particulars of contracts or arrangements that need to be entered into a register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to explanation given to us, transactions made in pursuance of contracts and arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
- vi) The Company has not accepted any deposits during the year from the public as defined in section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that, prime facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view of determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, income tax, sales tax, wealth tax, service tax, customs

duty, excise duty, cess and other material statutory dues as applicable to it. There was no undisputed amount outstanding at the year end for a period more than six months from the date they become payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute, are as follows:

S.No.	Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amt. relates	Forum where the dispute is pending
1	U. P. Entry Tax Act	Entry Tax	227,265	2001 to 2003	Appellate Authority UP Trade Tax
2.	Service Tax under Finance Act, 1994	Service Tax	1,106,897	2008-2009	Custom, Central Excise & Service Tax, Appellate Tribunal, Delhi
3.	Central Excise Act	Excise Duty	44,000,000	2008-2009	Custom, Central Excise & Service Tax, Appellate Tribunal, Delhi
4.	Central Excise Act	CENVAT Credit	224,378	2007	Adjudicating Authority, Large Taxpayer Unit Delhi

- x) The Company does not have accumulated losses as at 31st March, 2013 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) On the basis of information and explanation provided by the management, the Company has not made any default in the repayment of dues to the financial institutions and banks. During the year, the Company has not issued any debentures.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
- xiii) In our opinion considering the nature of activities carried on by the company during the year, the provision of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to it.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investments.
- xv) On the basis of information and explanation provided, the Company has not given guarantee for loans taken by other from the bank during the year
- xvi) On the basis of records available and information and explanation given to us, the terms loans have been applied for the purpose for which they were raised.
- xvii) On the basis of information and explanation given to us and an overall examination of the balance sheet, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
- xviii) According to information and explanation given to us, during the year. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issues during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For S. R. DINODIA & CO.
 CHARTERED ACCOUNTANTS
 (REGN. No. 01478N)

PLACE : New Delhi
 DATED : 28th May, 2013

(SANDEEP DINODIA)
 PARTNER
 M.NO. 083689

BALANCE SHEET AS AT MARCH 31, 2013

(Rupees in Lacs)

PARTICULARS	Note No.	As At	
		March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	594.63	594.63
Reserves and Surplus	4	16,378.25	14,026.20
		<u>16,972.88</u>	<u>14,620.83</u>
Non-Current Liabilities			
Long-Term Borrowings	5	1,096.34	883.21
Deferred Tax Liabilities (Net)	6	1,434.04	950.80
Other Long Term Liabilities	7	295.34	770.18
Long-Term Provisions	8	349.66	328.46
		<u>3,175.38</u>	<u>2,932.65</u>
Current Liabilities			
Short-Term Borrowings	9	13,996.79	10,870.29
Trade Payables	10	13,583.20	10,262.98
Other Current Liabilities	10	2,771.24	5,113.99
Short-Term Provisions	8	414.76	469.39
		<u>30,765.99</u>	<u>26,716.65</u>
	TOTAL	<u>50,914.25</u>	<u>44,270.13</u>
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		23,294.26	21,068.13
Intangible Assets		2,744.03	1,862.32
Capital Work-in-Progress	11.1	1,070.06	1,051.45
Non-Current Investments	12.1	139.00	139.00
Long-Term Loans and Advances	13	1,980.85	1,434.96
Other Non-Current Assets	14	1,149.31	5.33
		<u>30,377.51</u>	<u>25,561.19</u>
Current Assets			
Current Investments	12.2	-	2,005.00
Inventories	15	8,588.48	6,209.38
Trade Receivables	14	10,104.08	9,430.68
Cash and Bank Balances	16	632.56	350.83
Short-Term Loans and Advances	13	1,210.32	712.00
Other Current Assets	14	1.30	1.05
		<u>20,536.74</u>	<u>18,708.94</u>
	TOTAL	<u>50,914.25</u>	<u>44,270.13</u>
Summary of Significant Accounting Policies	2.1		
The accompanying notes are integral part of the financial statements			

As per our Audit Report of even date attached
For **S.R. DINODIA & CO.**,
CHARTERED ACCOUNTANTS
REGN NO. 001478N

For and on Behalf of
the Board of Directors

(SANDEEP DINODIA)
PARTNER
M.NO. 083689

(NITIN VISHNOI)
Company Secretary

(PRADEEP RASTOGI)
President-Legal & CFO

(N. D. RELAN)
Co-Chairman
DIN 00240280

PLACE : New Delhi
DATED : 28th May, 2013

(D.A. AGGARWAL)
Sr. Vice President (F&A)

(AJAY RELAN)
Managing Director
DIN 00257584

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2013

(Rupees in Lacs)

PARTICULARS	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
Revenue From Operations	17	89,833.33	75,142.19
Other income	18	699.53	581.50
Total Revenue		90,532.86	75,723.69
Expenses:			
Cost of materials consumed	19	59,633.22	49,246.47
Purchase of Traded Goods	20	6,330.42	5,381.69
Changes in inventories of Finished goods, Work-in-progress and Stock-in-Trade	21	(237.63)	148.96
Employee Benefits Expense	22	4,610.18	3,922.64
Finance Costs	23	1,093.28	933.10
Depreciation and Amortization Expense	11	3,576.18	3,126.00
Other Expenses	24	10,815.74	9,957.06
Total Expenses		85,821.39	72,715.92
Profit Before Exceptional and Extraordinary Items and Tax		4,711.47	3,007.77
Exceptional Item	25	357.43	-
Profit Before Tax		4,354.04	3,007.77
Tax Expense:			
Current Tax		1,270.00	600.00
Less: MAT Credit Entitlement		-	150.00
Net Current Tax Expense		1,270.00	450.00
Deferred Tax		483.24	(199.54)
Tax Adjustment for Earlier Years		5.82	(3.78)
Profit (Loss) For the Year		2,594.98	2,761.09
Earnings per equity share:			
Basic (In Rupees)	29	43.64	46.43
Diluted (In Rupees)	29	43.64	46.43
Summary of Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements

As per our Audit Report of even date attached
For **S.R. DINODIA & CO.**,
CHARTERED ACCOUNTANTS
REGN NO. 001478N

For and on Behalf of
the Board of Directors

(SANDEEP DINODIA)
PARTNER
M.NO. 083689

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DIN 00240280

PLACE : New Delhi
DATED : 28th May, 2013

(D.A. AGGARWAL)
Sr. Vice President (F&A)

(AJAY RELAN)
Managing Director
DIN 00257584

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	(Rupees in Lacs)	
	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation & Extraordinary items	4,711.47	3,007.77
Adjustment for:		
Depreciation written off	3,576.18	3,126.00
Interest Income	(72.76)	(20.18)
Finance Cost	833.28	748.23
Dividend Income	(72.00)	(72.02)
(Profit) / Loss on Sale of Fixed Assets (Net)	(486.74)	(308.51)
Amount written off (net)	262.09	(100.33)
Provision for Wealth Tax	3.47	3.77
Operating profit before Working Capital changes	8,754.99	6,384.73
Adjustment for:		
Decrease / (Increase) in Trade Receivables	(673.40)	(1,816.34)
Decrease / (Increase) in Increase in Inventories	(2,379.10)	356.77
Decrease / (Increase) in Other Receivables	(293.20)	176.11
Increase / (Decrease) in Trade Payable	3,320.22	(216.89)
Increase / (Decrease) in Other Payables	(2,857.11)	759.93
Amount written off (Net)	(262.09)	100.33
Warranty Claims	(2.82)	79.76
Cash Generated from operation	5,607.49	5,824.40
Direct Taxes paid (Net of Income Tax Refund)	(1,154.45)	(361.01)
Net Cash flow from Operating Activities (A)	4,453.04	5,463.39
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	1,393.05	782.72
Purchase of Fixed Assets/Technical know-how	(8,457.91)	(6,763.17)
Changes in Investment due to merger	2,005.00	-
Interest Received	72.76	19.85
Dividend Income	72.00	72.02
Amount received/(paid) for FDR's	(1,143.98)	0.20
Net Cash used in Investing Activities (B)	(6,059.08)	(5,888.38)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings (Net)	3,412.15	1,981.79
Finance Cost	(833.28)	(748.23)
Dividend paid (including Corporate Dividend Tax)	(691.10)	(692.24)
Net Cash used in Financing Activities (C)	1,887.77	541.32
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	281.73	116.33
CASH & CASH EQUIVALENTS-OPENING BALANCES	350.83	234.50
CASH & CASH EQUIVALENTS-CLOSING BALANCES	632.56	350.83
Cash & Cash Equivalents include :		
Cash in hand	0.31	0.51
Balances with Scheduled Banks		
- In Current Account	131.46	249.66
- In Deposit Account	500.79	100.66
	632.56	350.83

Note :

1. Figures in brackets represent outflows
2. Cash and Cash equivalents is Cash & Bank balances as per Balance Sheet.
3. Previous year figures have been regrouped/ restated wherever necessary.

As per our Audit Report of even date attached
 For **S.R. DINODIA & CO.**,
 CHARTERED ACCOUNTANTS
 REGN NO. 001478N

For and on Behalf of
 the Board of Directors

(SANDEEP DINODIA)
 PARTNER
 M.NO. 083689

(NITIN VISHNOI)
 Company Secretary

(PRADEEP RASTOGI)
 President-Legal & CFO

(N. D. RELAN)
 Co-Chairman
 DIN 00240280

PLACE : New Delhi
 DATED : 28th May, 2013

(D.A. AGGARWAL)
 Sr. Vice President (F&A)

(AJAY RELAN)
 Managing Director
 DIN 00257584

Notes to financial statement for the year ended on March 31, 2013

NOTE 1: CORPORATE INFORMATION

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

NOTE 2: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention in accordance with the Indian Generally Accepted Accounting Principles ("GAAP"), mandatory accounting standards as per the Company (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and other relevant provisions of the Companies Act, 1956 and guidelines issued by the Security Exchange Board of India as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

NOTE 2.1: SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires making of estimates and assumptions that affect the reported amounts of assets & liabilities and disclosure of contingent assets & liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

(b) Current-non-current classification

All assets and liabilities has been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act,1956.

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date;

Liabilities

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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instrument do not affect its classification

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

Operating cycle

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

(c) Fixed Assets

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

(d) (i) Depreciation/Amortization

- Depreciation is provided at the rates and in the manner as prescribed in Schedule XIV to the Companies Act, 1956 by following the written down value method.

The assets are depreciated by the rate prescribed in schedule XIV of Companies Act, 1956

Particulars	Depreciation Rate in (%)
Office building	5
Factory building	10
Plant & Machinery	13.91
Office equipment	13.91
Computer	40
Furniture & Fixtures	18.10
Vehicle	25.89

- Depreciation is calculated on a Pro rata basis from the date of installation till the date the assets are sold or disposed off. Assets costing individually Rs. 5,000/- or less are fully depreciated in the year of purchase.
- Cost of Leasehold Land is amortized over the period of Lease.

(d) (ii) Intangible Assets

Intangible assets such as technical know-how fees, etc. which do not meet the criterions laid down, in terms of Accounting Standard 26 on Intangible Assets, are written off in the year in which they are incurred. If such costs / expenditure meet the criterion, it is recognized as an intangible asset and is measured at cost. It is amortized by way of a systematic allocation of the depreciable amount over its useful life on straight line basis and recognized in the balance sheet at net of any accumulated amortization and accumulated impairment losses thereon.

(e) Inventories

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

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

Scrap is valued at "Net Realizable Value".

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

(f) Revenue Recognition

Domestic Sales are recognized at the point of dispatch of goods to the customers from factory. The sales are accounted for net of trade discount, sales tax; sale returns but includes excise duty. Export Sales are recognized at the time of the clearance of goods and approval of excise authorities.

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

Interest Income is accounted for on time proportional basis. Dividend income is recognized when the right to receive the Dividend is established.

(g) Purchases

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

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

(h) Foreign Exchange Transactions

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

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

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

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

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

(i) Borrowing Costs

Borrowing costs that are attributable to the acquisition for construction of qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(j) Investments

Long Term Investments are stated at cost unless there is a diminution of permanent nature, if any. Current Investments are carried at lower of cost or fair value.

(k) Expenditure on Research and Development

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

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

(l) Employee Benefit

- i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.
- ii) The Company has Defined Contribution plans for post employment benefits' namely Provident Fund and Employee State Insurance Scheme. The Company's contributions in the above plans are charged to revenue every year.
- iii) The Company has Defined benefits plans namely Leave Encashment / Compensated Absence and Gratuity for employees. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each Financial Year by using 'Projected Unit Credit' (PUC) method. However, the company through its Trust has taken a policy with 'Life Insurance Corporation of India' to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with Life Insurance Corporation of India is provided for as liability in the books.
- iv) Provision for Leave Encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each Financial Year by using 'Projected Unit Credit' (PUC) method.
- v) Actuarial gains / losses are immediately taken to Statement of Profit and Loss.
- vi) Terminal benefits are recognized as an expense immediately.

(m) Taxes on Income

(i) Current Tax

Current tax is amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

(ii) Deferred Tax

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

(n) Contingency/Provisions

Provision is recognized when a company has a present obligation as a result of past event, it is probable that an outflow of resources embodying benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent Liabilities, if material are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements.

(o) Leases

Lease arrangements where the risks and rewards incident to the ownership of assets substantially vests with the lesser, are recognized as operating leases. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss.

(p) Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable (taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

(q) Cash Flow

Cash Flow statement is prepared as per the indirect method prescribed under "Accounting Standard-3" "Cash Flow Statement".

(r) Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

(s) Warranty

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

(t) Impairment of Assets

The company assesses whether there is any indication that any asset may be impaired at the balance sheet date. If any indication exists, the company estimates the recoverable amount. If the carrying amount of the fixed assets exceeds the recoverable amount, an impairment loss is recognized in the accounts; to the extent the carrying amount exceeds the recoverable amount.

(Rupees in Lacs)

PARTICULARS	As At March 31, 2013	As At March 31, 2012
NOTE 3 : SHARE CAPITAL		
Authorised Shares		
50,000,000 (P.Y 25,000,000) Equity Shares of Rs. 10/- each	5,000.00	2,500.00
	5,000.00	2,500.00
Issued, Subscribed & Paid-up Shares		
Equity Share Capital		
5,946,326 (March 31, 2012: 5,946,326) Equity Shares of Rs. 10/- each fully paid up	594.63	594.63
	594.63	594.63

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

Equity Shares	March 31, 2013		March 31, 2012	
	No of shares.	Amount	No of shares.	Amount
At the commencement of the year	59,46,326	594.63	59,46,326	594.63
Add:- Issued during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Outstanding at the end of the year	59,46,326	594.63	59,46,326	594.63

b) Terms/rights attached to Equity shares

The company has only one class of Equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

During the year ended 31st March, 2013, the amount of per share dividend recognized as distributions to Equity Shareholders was Rs. 10/- (March 31, 2012: Rs. 10.00/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares in the company held by each shareholder holding more than 5 percent shares

Equity Shares	March 31, 2013		March 31, 2012	
	No of equity shares	% of holding	No of equity shares	% of holding
Mr.N.D Relan	4,88,020	8.21	4,88,020	8.21
Mrs.Sharda Relan	7,42,520	12.49	7,42,520	12.49
Mr.Ajay Relan	8,10,378	13.63	8,10,378	13.63
Mr.Rohit Relan	4,78,818	8.05	4,78,818	8.05
Mrs.Ritu Relan	7,92,520	13.33	7,92,520	13.33
Mrs.Mala Relan	5,71,260	9.61	5,71,260	9.61

	(Rupees in Lacs)	
	As At March 31, 2013	As At March 31, 2012
NOTE 4 : RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last financial statements	0.20	0.20
Addition during the year	-	-
Closing balance	0.20	0.20
General Reserve		
Balance as per last financial statements	12,477.13	10,477.13
Addition during the year	1,500.00	2,000.00
Addition due To Amalgamation with subsidiary Company	448.17	-
Closing balance	14,425.30	12,477.13
Surplus / (Loss) as per Statement of Profit & Loss		
Balances as per last financial statements	1,548.87	1,478.88
Add:- Profit for the year	2,594.98	2,761.09
Less:- Appropriations:		
- Interim Dividend (Dividend amount per share Rs.5 (March 31,2012: Rs 5)	297.32	297.32
- Proposed Dividend on Equity Shares (Dividend amount per share Rs.5 (March 31,2012: Rs 5)	297.32	297.32
- Dividend Distribution Tax on Interim Dividend	48.23	48.23
- Dividend Distribution Tax on Proposed Dividend	48.23	48.23
- Transfer to General Reserves	1,500.00	2,000.00
Closing balance	1,952.75	1,548.87
Total Reserves & Surplus	16,378.25	14,026.20

	(Rupees in Lacs)			
	Non Current portion		Current Maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
NOTE 5 : LONG TERM BORROWINGS				
Secured Borrowings				
Term loans				
From Banks				
External commercial Borrowing	1,015.28	477.90	550.42	477.90
Rupee term loan	81.06	405.31	324.25	324.25
	1,096.34	883.21	874.67	802.15
Amount disclosed under 'Other Current Liabilities' (Note no. 10)	-	-	874.67	802.15
Long Term Borrowings	1,096.34	883.21	-	-

Note: Particulars of Security/Guarantees/Terms of Repayment

The ECB loan consists of 3 loans:

- i) First loan of US \$ 2.0 million was taken in July 2008 and repayable in 10 instalments of Rs.78.57 Lacs each commencing from 14th July, 2009. The loan carries an interest rate of 10.25% p.a.
- ii) Second loan of US \$ 4.0 Million was taken in September, 2008 and repayable in 10 instalments of Rs.160.38 Lacs each commencing from 30th September, 2009. The loan carries an interest rate of 7.5% p.a.
- iii) Third loan of US \$ 2.0 Million was taken in August, 2012 and repayable in 15 instalments of US\$ 133,333 commencing from 26th January, 2014. The loan carries an interest rate of 8.45% p.a.

a) Term Loan (External Commercial Borrowing) - I & II Loan

Mortgage in favour of the Security Trustee in a form satisfactory to the Security Trustee of the Borrower's immovable properties pertaining to the Project Situated at:

- i) Mahindra World City, Changalpattu Taluk, Kanchepuram Dist. Industrial Park, Tamilnadu-603002,
- ii) An exclusive charge by way of hypothecation in favour of the Security Trustee of the Borrower's movables pertaining to the Projects Situated at:
 - Mahindra World City, Changalpattu Taluk, Kanchepuram Dist. Industrial Park, Tamilnadu-603002,
 - Plot No. 52/1,52/2,53/2A,54A,54B,54C & 54D, Behind Ceat Company, Satpur, Nashik-422007
 - Plot No. C-8, TML Vendor Park, Sanand Road, North Cotepura, Sanand, Ahmedabad
 - 58 KM, Delhi - Jaipur Highway, P.O. Binola, Haryana.

being financed out of the proceeds of the Facility (save and except book debts), including movable machinery, machinery spares, tools and accessories, both Present & future

b) Term Loan (External Commercial Borrowing) - III Loan

First Exclusive charge over immovable assets at C-506 & 526, Pioneer Industrial Park, Patherdi, Bilaspur Chowk Manesar, Distt : Gurgaon and first exclusive charge on plant & machinery and other movable fixed assets purchased out of the proceeds of the loan.

c) Rupee Term Loan

Mortgage in favour of bank in respect of Plot No. C - 8 , TML Vendor Park, Sanand Road, Kotepura, Sanand, Ahemdabad. The loan was taken in financial year 2010-11 and repayable in 16 Instalments of Rs. 81.06 Lacs beginning from 10th August, 2010.

	(Rupees in Lacs)	
NOTE 6 : DEFERRED TAX LIABILITIES (NET)	As At March 31, 2013	As At March 31, 2012
Deferred Tax Assets		
Impact of expenditure charged to the Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis	128.73	115.09
Total (A)	128.73	115.09
Deferred Tax Liabilities		
Fixed Assets: Impact of difference between depreciation as per Income Tax Act and depreciation/ amortization as per companies act	1,562.77	1,065.89
Total (B)	1,562.77	1,065.89
Net Deferred Tax Liability (A-B)	1,434.04	950.80

	(Rupees in Lacs)			
NOTE 7 : OTHER LONG TERM LIABILITIES	Long Term		Current Portion	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Gratuity	43.87	41.35	6.03	16.45
Advances from Customers	-	550.41	394.02	775.79
Others*	251.47	178.42	-	2,129.88
	295.34	770.18	400.05	2,922.12
Amount disclosed under Other Current Liabilities (Current portion of long term liabilities)	-	-	400.05	2,922.12
	-	-	400.05	2,922.12

* Amount of Rs.NIL (March 31, 2012: Rs. 2,129.88 Lacs) payable to Subsidiary company, Sharda Sejong Auto Components India Ltd. on account of transfer of business unit at G-20, Sipcot, Chennai. This amount has been shown in the current portion (March 31, 2012: Long Term). In the pursuance of the order dated 25th July, 2012 of the Honourable High Court of Dehi, subsidiary company had been amalgamated with the holding company (Sharda Motor Industries Ltd.).

NOTE 8 : PROVISIONS	(Rupees in Lacs)			
	Long Term		Short Term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Provision for Employee Benefits				
Leave Encashment (Refer Note no. 22.1)	84.69	60.68	65.74	56.74
Other provisions				
Provision for warranty claim (Refer Note no. 8.1)	264.97	267.78	-	-
Proposed dividend	-	-	297.32	297.32
Tax on proposed dividend	-	-	48.23	48.23
Wealth Tax	-	-	3.47	3.78
Income Tax (Net of Advance Tax Rs. 1,096.81Lacs)	-	-	-	63.32
	349.66	328.46	414.76	469.39

NOTE 8.1 : DISCLOSURE REQUIRED BY AS-29	(Rupees in Lacs)	
	As At March 31, 2013	As At March 31, 2012
“PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES”		
Opening balance (as on 1st April)	267.78	188.02
Provision made during the year	182.89	145.57
Amount used/reversed/paid during the year	185.70	65.81
Closing balance (as on 31st March)	264.97	267.78

NOTE 9 : SHORT TERM BORROWINGS	(Rupees in Lacs)	
	As At March 31, 2013	As At March 31, 2012
Secured Borrowing		
Loans repayable on demand		
From Banks-Secured		
Cash Credit from Banks	4,464.76	1,655.08
Others		
From Banks		
Bills Discounted	378.66	339.16
Buyers Credit	4,932.80	5,233.05
Unsecured Borrowing		
Loans and advances from Related parties	4,220.57	3,643.00
Directors		
	13,996.79	10,870.29

a) Cash Credit/Buyer's Credit

- (i) Secured by charge on inventories and books debts
- (ii) Equitable mortgage of leasehold land and building, situated at Plot No.4, Sector 31, Greater Noida Industrial Development Area, U.P., and plant & Machinery and other assets
- (iii) Rate of Interest

Cash Credit	: 11.5% - 13.5%
Buyer's Credit	: 3.5% - 4.5%

b) Bills Discounted

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

c) Directors Loan

Payable on demand. The loan is taken on an interest rate of 10% - 12%.

	(Rupees in Lacs)	
NOTE 10 : OTHER CURRENT LIABILITIES	As At March 31, 2013	As At March 31, 2012
Trade Payables (Refer note below for details of dues to micro and small enterprises)	13,583.20	10,262.98
	13,583.20	10,262.98
Other Liabilities:		
Current maturities of long-term debt (Note No. 5)	874.67	802.15
Unclaimed dividend	36.02	38.44
Statutory dues	713.42	740.85
Interest Accrued but not due on borrowings	37.78	48.43
Current portion of Long Term Liabilities (Note no. 7)	400.05	2,922.12
Creditor for Capital Expenditure	709.30	562.00
	2,771.24	5,113.99
	16,354.44	15,376.97

a) The above does not includes any amount due to be transferred to investor education & protection fund

b) Pursuant to amendments to Schedule VI to Companies Act, 1956 vide notification number GSR 719 (E) dated November 16, 2007, there are no amount due as of March 31, 2013 due to micro, small & medium enterprises as defined in Industries (Development and Regulation) Act, 1951, hence it has not been disclosed in the books of the company (Previous Year Rs. Nil). Further no interest during the year have been paid or payable under the terms of MSMED Act' 2006

Notes to financial statement for the year ended on March 31, 2013

NOTE 11 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				EPRECIATION/AMORTISATION				NET BLOCK		
	AS AT 01 APRIL, 2012	ADDITION	DEDUCTION/ ADJUSTMENT	AS AT 31 MARCH, 2013	AS AT 01 APRIL, 2012	FOR THE YEAR	WRITTEN BACK	AS AT 31 MARCH, 2013	AS AT 31 MARCH, 2013	AS AT 31 MARCH, 2012	
A. Tangible Assets											
Land											
- Lease Hold	837.46	-	-	837.46	56.41	8.59	-	65.00	772.46	1,085.35	
- Free Hold	1,409.16	0.93	-	1,410.09	-	-	-	-	1,410.09	1,104.86	
Buildings	6,509.14	2,554.68	-	9,063.82	1,909.09	502.69	-	2,411.78	6,652.04	4,600.05	
Plant and Equipment	19,721.84	2,595.15	956.63	21,360.36	7,632.55	1,818.38	70.69	9,380.24	11,980.12	12,089.29	
Vehicles	1,038.06	93.83	15.22	1,116.67	613.54	117.92	13.64	717.82	398.85	424.52	
Office Equipments and Furniture & Fixtures	1,053.13	136.82	0.14	1,189.81	643.73	113.71	0.10	757.34	432.47	409.39	
Electric fitting	2,120.74	522.15	18.75	2,624.14	766.07	209.84	-	975.91	1,648.23	1,354.67	
Total	32,689.53	5,903.56	990.74	37,602.35	11,621.39	2,771.13	84.43	14,308.09	23,294.26	21,068.13	
B. Intangible Assets											
Software Development	369.73	19.21	-	388.94	213.88	108.21	-	322.09	66.85	155.84	
Technical Knowhow & Guidance	3,421.27	1,667.54	-	5,088.81	1,714.79	696.84	-	2,411.63	2,677.18	1,706.48	
Total	3,791.00	1,686.75	-	5,477.75	1,928.67	805.05	-	2,733.72	2,744.03	1,862.32	
C. Capital Work in Progress											
	1,051.45	1,070.06	1,051.45	1,070.06	-	-	-	-	1,070.06	1,051.45	
Total	1,051.45	1,070.06	1,051.45	1,070.06	-	-	-	-	1,070.06	1,051.45	
Total (A+B+C)	37,531.98	8,660.37	2,042.19	44,150.16	13,550.06	3,576.18	84.43	17,041.81	27,108.35	23,981.90	
March 31, 2012	30,775.95	9,437.13	2,681.11	37,531.97	10,550.31	3,126.00	126.26	13,550.06	23,981.90	20,225.64	

Notes :

- Borrowing cost Capitalised during the Year amounting to Rs. 26.66 Lacs (March 31, 2012 Rs. Nil)
- Leasehold Land represents the cost of Land acquired at Singur (West Bengal). Lease deed in respect of which is under execution.

		(Rupees in Lacs)	
		As At March 31, 2013	As At March 31, 2012
NOTE 11.1: PRE OPERATIVE EXPENDITURE AND CAPITAL WORK IN PROGRESS			
(a) Pre Operative Expenditure	357.43	-	358.59
Less : Provision for pre-operative expenditure	357.43		
(b) Capital Work in Progress		1,070.06	692.86
Total		1,070.06	1,051.45

NOTE 11.2: LEASES

Assets taken on operating lease:

The company has taken certain assets on non-cancelable operating lease and lease rent amounting to Rs. 132.00 Lacs(March 31, 2012: Rs. 132.00 Lacs) has been debited to the Statement of Profit & Loss. The future minimum lease payments as on 31st March, 2013

Not Later Than 1 year	132.00	132.00
Later than 1 year but not later than 5 years	528.00	528.00

General

- i) Lease rentals are charged on the basis of agreed terms
- ii) Assets taken on lease over a period of 1 to 5 years.

NOTE 12 : INVESTMENTS

		(Rupees in Lacs)	
		As At March 31, 2013	As At March 31, 2012
NOTE 12.1: NON CURRENT INVESTMENTS			
Trade Investments (Valued at cost unless otherwise stated)			
Quoted Equity Instruments			
Investment in Associates			
9,000,000 Equity shares (March 31, 2012: 9,000,000), including Bonus Shares of 4,500,000 of Rs.2/- each , fully paid up of Bharat Seats Ltd.		90.00	90.00
Total Trade Investments (A)		90.00	90.00
Non Trade Investments (Valued at cost unless otherwise stated)			
Unquoted Equity Instruments			
Investment in Associates			
490,000 Equity shares (March 31, 2012: 490,000) of Rs. 10 each, fully paid up of Relan Industrial Finance Ltd.		49.00	49.00
Total Non Trade Investments (B)		49.00	49.00
Total Non current Investment (A+B)		139.00	139.00
Aggregate Value of Quoted Investments		90.00	90.00
Market Value of Quoted Investments		1,134.00	1,134.00
Aggregate value of Unquoted Investments		49.00	49.00
NOTE 12.2: CURRENT INVESTMENTS			
Current portion of Long term Investment			
Unquoted Equity Instruments			
NIL Equity shares (March 31, 2012: 20,050,000) of Rs.10/- each , fully paid up of Sharda Sejong Auto Components India Ltd. (Refer Note No. 33)		-	2,005.00
Total current Investment		-	2,005.00

NOTE 13 : LOANS AND ADVANCES (Unsecured considered good unless otherwise stated)	(Rupees in Lacs)			
	Non Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Capital Advances (Unsecured, considered good)	1,552.76	703.78	-	-
Security Deposits (Unsecured, considered good)	202.53	170.83	-	-
Advances Recoverable in cash or in kind (Unsecured, considered good)	-	-	446.89	263.78
Other Loans & Advances (Unsecured, considered good)				
MAT Credit Entitlement	225.56	560.35	-	-
Advance tax (Net of Provision: Rs.2,089.13 Lacs)	-	-	237.06	-
Prepaid Expenses	-	-	86.93	105.49
Balance with Revenue Authorities	-	-	330.67	221.11
Advances to Vendors	-	-	108.77	121.62
	1,980.85	1,434.96	1,210.32	712.00

NOTE 14 : TRADE RECEIVABLES AND OTHER ASSETS	(Rupees in Lacs)			
	Non Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Trade Receivables (Unsecured considered good unless otherwise stated)				
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	62.89	140.79
Outstanding for a period less than 6 months from the date they are due for payment	-	-	10,041.19	9,289.89
	-	-	10,104.08	9,430.68
Other assets				
Other Receivables	-	-	1.30	1.05
Non Current Bank Balances (Note no. 16)	1,149.31	5.33	-	-
	1,149.31	5.33	1.30	1.05
	1,149.31	5.33	10,105.38	9,431.73

NOTE 15 : INVENTORIES	(Rupees in Lacs)	
	As At March 31, 2013	As At March 31, 2012
Raw materials	6,500.81	4,297.33
Consumable stores	207.14	177.76
Goods in Transit-Raw Material	413.08	504.46
Work In Progress	1,438.60	1,139.14
Finished Goods	2.22	9.15
Traded Goods	26.63	81.54
	8,588.48	6,209.38

NOTE 16 : CASH AND BANK BALANCES	(Rupees in Lacs)			
	Non Current		Current	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Cash & cash Equivalent				
Balances with Banks:-				
On Current Account	-	-	95.44	211.23
Unpaid Dividend Account	-	-	36.02	38.44
Deposit with original maturity for less than 3 months	-	-	500.79	100.65
Cash on hand	-	-	0.31	0.51
	-	-	632.56	350.83
Other Bank Balances				
Deposit with original maturity of more than 12 Months	1,105.00	5.00	-	-
Interest Accrued but not due	44.31	0.33	-	-
	1,149.31	5.33	-	-
Amount disclosed under Non Current Assets (Note no.14)	1,149.31	5.33	-	-
	-	-	632.56	350.83

Note: Deposit include Margin Money Pledged with Canara Bank amounting to Rs. 5 Lacs (March 31, 2012: Rs. 5 Lacs)

NOTE 17 : REVENUE FROM OPERATIONS	(Rupees in Lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Revenue from - Sale of Product		
- Finished goods	113,113.00	98,223.84
- Traded goods	7,356.17	6,162.12
	120,469.17	104,385.96
Less: Inter Unit Transfer	15,110.42	17,940.12
Net Revenue from sale of Product	105,358.75	86,445.84
(b) Revenue from -Sale of Services	199.79	224.01
(c) Other Operating Revenues	666.87	764.57
(d) Less: Excise duty	16,392.08	12,292.23
Total	89,833.33	75,142.19
Details of product sold		
a) Finished goods sold (Net of Inter Unit Transfer)		
- Metal Parts	83,756.91	68,775.00
- Fabric	11,558.57	9,043.66
- White Goods	2,687.10	2,465.06
	98,002.58	80,283.72
b) Traded goods sold		
- Audio Video	30.00	72.14
- Auto components	7,326.17	6,089.98
	7,356.17	6,162.12
Net Revenue from sale of product	105,358.75	86,445.84

		(Rupees in Lacs)		
		For the year ended March 31, 2013	For the year ended March 31, 2012	
c) Earning in foreign currency				
F.O.B. value of exports		1,690.69	344.93	
		1,690.69	344.93	
Details of Sale of Services				
a) Job Work		199.79	224.01	
		199.79	224.01	
Details of Other Operating Revenues				
b) Scrap Sales		666.87	764.57	
		666.87	764.57	
		(Rupees in Lacs)		
NOTE 18 : OTHER INCOME		For the year ended March 31, 2013	For the year ended March 31, 2012	
Dividend Income from				
Trade Investment		72.00	72.00	
Interest Income from				
FDR's		72.56	20.18	
Profit from Sale of Tools		486.74	308.51	
Other Income		68.03	180.82	
		699.53	581.50	
		(Rupees in Lacs)		
NOTE 19 : COST OF MATERIAL CONSUMED		For the year ended March 31, 2013	For the year ended March 31, 2012	
1. Raw Material				
(a) Balances of Raw Material at the beginning of the year		4,475.09	4,592.60	
(b) Add:- Addition during the year		61,866.08	49,128.96	
(c) Less:- Balances of Raw Material at the end of the year		6,707.95	4,475.09	
(d) Cost of Raw Material Consumed		59,633.22	49,246.47	
a) Details of raw material and components consumed				
Steel		18,075.61	16,665.60	
Fabric		7,358.71	5,308.11	
Others		34,198.90	27,272.76	
		59,633.22	49,246.47	
b) C.I.F Value of imports				
Raw material		14,303.97	10,938.28	
Capital Goods		391.51	1,204.47	
		14,695.48	12,142.75	
c) Details of Indigenous and imported material consumed				
Raw Material	Value (Rs.)	%	Value (Rs.)	%
- Imported	13,451.46	22.56	12,959.44	26.32
- Indigenous	46,181.76	77.44	36,287.03	73.68
	59,633.22	100.00	49,246.47	100.00

NOTE 20 : PURCHASES OF STOCK - IN - TRADE	(Rupees in Lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
	Audio Video	0.81
Auto components	6,329.61	5,372.78
	6,330.42	5,381.69

NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, IN-PROGRESS AND STOCK IN TRADE	(Rupees in Lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
	Inventories at the end of the year	
Finished goods	2.22	9.15
Traded goods	26.63	81.54
Work- in- progress	1,438.60	1,139.14
	1,467.46	1,229.83
Inventories at the beginning of the year		
Finished goods	9.15	12.23
Traded goods	81.54	136.04
Work- in- progress	1,139.14	1,230.52
	1,229.83	1,378.79
(Excess)/Shortage of Closing stock over Opening Stock	(237.63)	148.96

Details of Inventory

Finished goods

Metals parts	0.53	3.55
Fabrics	1.27	5.60
White Goods	0.42	-
	2.22	9.15

Traded goods

Audio video	26.63	81.54
	26.63	81.54

Work- in- Progress

Metal Parts	1,196.37	998.85
Fabric	242.23	140.29
	1,438.60	1,139.14

NOTE 22 : EMPLOYEE BENEFITS EXPENSE	(Rupees in Lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
	Wages & Other Benefits	1,114.01
Salaries & Other Benefits	2,376.35	1,956.32
Director's Remuneration	413.42	308.75
Contribution to Provident and other funds	217.80	206.09
Gratuity (refer note below)	49.91	57.80
Staff Welfare Expenses	438.69	370.06
	4,610.18	3,922.64

NOTE 22.1: EMPLOYEE BENEFITS

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

(i) Defined Contribution Plans

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

Employer's Contribution to Provident Fund/ Pension Fund	186.71	169.28
Employer's Contribution to Employees State Insurance Scheme	30.61	36.48
Employer's Contribution to Employees Welfare Fund	0.48	0.33
	217.80	206.09

(ii) Defined Benefit plans

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

Leave Encashment/Compensated Absences: This is an unfunded defined benefit plan.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on March 31, 2013).

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

I. Changes in present value of Defined Benefit obligations : (Rupees in Lacs)				
Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at the beginning of the year	388.59	117.42	310.90	106.20
Current Service Cost	57.35	36.45	49.51	20.18
Past Service Cost	-	-	-	-
Interest Cost	33.43	10.10	24.87	8.50
Actuarial (gain) / loss on obligations	(6.44)	(5.34)	10.86	(9.21)
Benefits paid	(9.89)	(8.20)	(7.55)	(8.25)
Defined Benefit obligation at the year end	463.04	150.43	388.59	117.42

II. Change in the Fair Value of Plan Assets		
Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning of the year	330.79	236.66
Expected return on plan assets	34.43	27.44
Actuarial gain/ (loss)	-	-
Employer Contribution	57.80	74.24
Benefits paid	(9.89)	(7.55)
Fair value of plant assets at the year end	413.13	330.79

III. Change in the Fair Value of assets and obligation				
Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of obligation	463.04	150.43	388.59	117.42
Fair value of plan assets	413.13	-	330.79	-
Amount recognized in balance sheet	49.91	150.43	57.80	117.42

IV. Expenses/ (Income) recognized in the Profit & Loss				
Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	57.35	36.45	49.51	20.19
Past Service Cost	-	-	-	-
Interest Cost	33.43	10.10	24.87	8.50
Expected Return on plan assets	(34.43)	-	(27.44)	-
Actuarial (gain)/ loss	(6.44)	(5.34)	10.86	(9.21)
Net Cost	49.91	41.21	57.80	19.48

V. Investment details of plan assets	
Particulars	Gratuity (Funded)
Insured with LIC	100%

VI. Actuarial Assumptions				
Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Duly Modified)	1994-96 (Ultimate)	1994-96 (Duly Modified)
Discount rate (per annum)	8.00%	8.00%	8.60%	8.60%
Expected rate of return on plan assets (per annum)	9.25%	0.00%	9.25%	0.00%
Rate of increase in Compensation levels	10.00%	10.00%	10.00%	10.00%

Note:

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

NOTE 23 : FINANCE COST	(Rupees in Lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expense	833.28	748.23
Other Borrowing Costs	260.00	184.87
	1,093.28	933.10

NOTE 24 : OTHER EXPENSES	(Rupees in Lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of tools	161.78	189.95
Power & Fuel	1,161.22	1,088.18
Hire Labour Charges	4,284.68	3,703.32
Manufacturing expenses	451.33	196.76
Rent, Rates & Taxes	283.46	228.40
Repair & maintenance		
-Repair to Building	88.53	198.37
-Repair to Plant & Equipments*	530.09	602.81
-Repair Others	219.89	325.44
Exchange Fluctuation	45.09	509.34
Royalty	245.56	324.19
Research & Development expenses (Refer Details below)	425.85	351.17
Travelling & conveyance	614.52	531.26
Insurance	60.57	45.16
Communication cost	63.67	64.43
Director's sitting fee & commission	85.70	35.70
Legal & Professional expenses	51.67	20.28
Bad debts written off	50.95	23.89
Prior Period Items (Refer Details below)	4.01	-
Selling & Distribution expenses	1,112.67	999.25
Auditor's Remuneration (Refer Details below)	15.90	16.23
Incremental effect of Excise Duty on Finished Goods	(0.71)	(0.14)
Miscellaneous expenses	859.31	503.07
	10,815.74	9,957.06
* Includes value of Stores and Spares consumed of Rs. 133.76 Lacs (P.Y. Rs. 144.67 Lacs). Refer pt. (c) and (d) below.		
a) Payment to Auditor		
As Auditor		
Audit fee	11.00	8.60
Tax Audit fee	3.10	3.10
In other capacity		
Management services	1.80	2.00
Taxation matter	0.81	1.95
Reimbursement of expenses	0.50	0.58
	17.21	16.23
b) Expenditure incurred in Foreign Currency		
Foreign Traveling	231.59	177.85
Royalty	210.28	385.00

Technical Know-how / Guidance Fee / Consultancy			1,472.01	489.89
Repair and Maintenance			11.45	-
Buyers Credit Interest			129.34	36.12
Handling Charges			-	3.68
Subscription & Fee			1.79	-
			2,056.46	1,092.54
c) CIF Value of Import			427.57	470.52
Machinery Spares & Consumables			427.57	470.52
d) Details of Indigenous and imported material consumed Stores & Spares				
	Value (Rs. in lacs)	%	Value (Rs. in lacs)	%
Imported	47.31	35.37	56.42	39.00
Indigenous	86.46	64.63	88.25	61.00
	133.77	100.00	144.67	100.00
e) Research & Development Expenses				
Research & Development expenses include:				
- Purchases			6.08	3.56
- Salary, Wages and other allowance			194.66	219.72
- Travelling Expenses			28.74	40.52
- Design, Development and other expenses			196.37	87.37
			425.85	351.17
f) Prior Period Expense				
Electricity Charges			4.01	-
			4.01	-

(Rupees in Lacs)

NOTE 25 : EXCEPTIONAL ITEMS

	For the year ended March 31, 2013	For the year ended March 31, 2012
Provision against Pre-operative Expenditure	357.43	-
	357.43	-

(Rupees in Lacs)

NOTE 26: FINANCIAL AND DERIVATIVE INSTRUMENTS

	For the year ended March 31, 2013	For the year ended March 31, 2012
Foreign currency exposure hedged by derivative instruments	-	4,621.38
Foreign currency exposure that are not hedged by derivative instruments	6,517.36	3,216.54
	6,517.36	7837.92

NOTE 27: SEGMENT WISE REPORTING

(a) Composition of Business Segments:

The Company's business segments are organized on product lines as under:

- i) Automotive components
- ii) White Goods

(b) Segment revenues, Results and Other Information

Particulars	(Rupees in Lacs)					
	Year Ended 31st March, 2013			Year Ended 31st March, 2012		
	Automotive Components & Accessories	White Goods	Total	Automotive Components & Accessories	White Goods	Total
External Sales (Gross)	103,536.53	2,688.88	106,225.41	84,635.92	2,798.50	87,434.42
Less: Excise duty	16,174.43	217.65	16,392.08	12,068.02	224.21	12,292.23
Other Income	505.93	48.77	554.70	466.17	15.11	481.28
Segment Revenue	87,868.03	2,520.00	90,388.03	73,034.07	2,589.40	75,623.48
Un-allocated Income			144.83			100.22
Total Revenue			90,532.85			75,723.70
Segment Results	7,003.27	66.79	7,070.06	5,119.09	(62.57)	5,056.52
Un-allocated Expenses			1,265.31			1,115.65
Operating Profit			5,804.75			3,940.87
Less: Exceptional Items			357.43			
Interest Expenses (Net)			1,093.28			933.10
Current Income Tax			1,270.00			450.00
Deferred Tax			483.24			(199.54)
Tax adjustment for earlier year (Net)			5.82			(3.78)
Profit after tax			2,594.98			2,761.09
Segment Assets	48,812.79	1,201.72	50,014.51	33,709.77	8,733.45	42,443.22
Un-allocated Assets			899.75			1,826.92
Total			50,914.26			44,270.14
Segment Liabilities	15,293.31	506.68	15,799.99	14,364.72	532.85	14,897.57
Un-allocated Liabilities			723.56			264.20
Total			16,523.55			15,161.77
Capital Expenditure	8,538.08	122.29	8,660.37	8,166.94	218.74	8,385.68
Depreciation/ Amortization	3,460.27	115.91	3,576.18	3,057.08	68.92	3,126.00

NOTE 28 : RELATED PARTY DISCLOSURES

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

Name of the Related Party	Relationship
Sharda Sejong Auto components (India) Limited	Subsidiary Company #
a) Relan Industrial Finance Ltd.	Associate Companies
b) Bharat Seats Ltd.	
c) Progressive Engineering & Automation Pvt. Ltd.	
a) Mr.N.D Relan (Co. Chairman)	Key Managerial Personnel
b) Mr.Ajay Relan (Managing Director)	
c) Mr.Udayan Banerjee (Executive Director)	
a) Mr.Rohit Relan	Relatives of Key Managerial Personnel
b) Mrs.Sharda Relan	
c) Mrs.Mala Relan	
d) Mrs.Ritu Relan	
e) Ms Aashita Relan	
f) Mr.Aashim Relan	
g) Mr.Rishabh Relan	
h) Mr.Pranav Relan	
i) Mr.Ayush Relan	
a) Sharda Enterprises	
b) N.D.Relan (HUF)	
c) Ajay Relan (HUF)	
d) Rohit Relan (HUF)	
e) A.N.I Hospitality LLP	

In the pursuance of the order dated July 25, 2012 of the honorable High Court of Delhi subsidiary company has been amalgamated with the holding company ("Sharda Motor Industries Limited")

Nature of Transactions	Subsidiary Company	Associate Companies	Associate Concern	Key Management Personnel	Relatives of Key Managerial Concern
Sales	- (-)	23,605.24 (19,316.98)	- (-)	- (-)	- (-)
Loans taken	- (-)	- (-)	- (-)	731.33 (270.50)	589.42 (344.00)
Loan repaid	- (-)	- (-)	- (-)	361.11 (237.00)	382.07 (156.50)
Interest paid on loans	- (-)	- (-)	- (-)	209.40 (185.70)	233.53 (220.68)
Rent paid	- (-)	- (-)	132.00 (132.00)	- (-)	21.24 (-)
Remuneration paid	- (-)	- (-)	- (-)	499.12 (344.46)	72.96 (44.82)
Dividend Received	- (-)	72.00 (72.00)	- (-)	- (-)	- (-)
Dividend Paid	- (-)	- (-)	9.36 (9.36)	129.84 (129.84)	325.80 (325.80)
Sale of Fixed Assets	- (-)	1,031.84 (501.66)	- (-)	- (-)	- (-)
Advance received against supply	- (-)	225.00 (689.00)	- (-)	- (-)	- (-)
Advance adjusted	- (-)	1,052.26 (431.75)	- (-)	- (-)	- (-)
Transfer of Sipcot's Business from subsidiary	2,129.89 (-)	- (-)	- (-)	- (-)	- (-)
Net Outstanding Balance Payable / (Receivable) as on 31st March, 13	- (2,129.89)	873.56 (304.89)	- (-)	2,060.60 (1,658.50)	2,229.72 (1,984.50)

Note: Figures in brackets indicate previous year's figures.

NOTE 29 : EARNINGS PER SHARE

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

Particulars	2012-13	2011-12
Profit/(Loss) attributable to Equity Shareholders (Rs.)- (A)	2,594.98	2,761.09
Basic/Weighted average number of Equity shares outstanding during the year - (B)	59.46	59.46
Nominal Value of Equity Shares (Rs.)	10	10
Basic/Diluted earnings per share (Rs.) - (A/B)	43.64	46.43

(Rupees in Lacs)

PARTICULARS	For the year ended March 31, 2013	For the year ended March 31, 2012
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NOTE 30 : CONTINGENT LIABILITIES AND COMMITMENTS
1. Contingent liabilities

(a) Claims against the company not acknowledged as debts

- Disputed State Tax Matters*	2.27	2.27
- Disputed Excise Matters **	442.24	442.24
- Disputed Service Tax Matters ***	11.07	11.07
- Disputed Income Tax Matters ****	-	92.05

(b) Other money for which the company is contingently liable *****	789.83	1,204.41
2. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts, Net of Advance	1,708.13	634.12
Total	2,953.54	2,386.16

* Entry Tax of Rs. 2.27 Lacs (March 31, 2012: Rs. 2.27 Lacs) for Financial Year 2000-01, 2001-02 and 2002-03 against which the company has filed an appeal before Appellate Authority UP Trade Tax.

** Excise duty of Rs. 440.00 Lacs (March 31, 2012: Rs. 440.00 Lacs) under the Central Excise Rules, which is pending before the Custom, Central Excise & Service Tax Appellate Tribunal, Delhi. However, the company has filed the Writ petition against this issue before Bombay High Court which has been decided in favour of the company.

Another matter related to Cenvat Credit of Rs. 2.24 Lacs (March 31, 2012: 2.24 Lacs) under Cenvat Credit Rules is pending before the Appellate Authority of LTU Delhi.

*** Service Tax of Rs. 11.06 Lacs (March 31, 2012: Rs. 11.06 Lacs) under Service Tax Rules which is pending before the Custom, Excise and Service Tax Appellate Tribunal, Delhi

**** Income Tax demand of Rs. NIL (March 31, 2012: 54.32 Lacs) for Asst. year 2009-10 and Rs. NIL (March 31, 2012: 37.72 Lacs) for Asst. year 2004-05 under the Income Tax Act, is pending before the Commissioner of Income Tax LTU (Appeals), Delhi.

***** Foreign Letters of Credit of Rs. 789.83 Lacs (March 31, 2012: Rs. 1,204.40 Lacs)

NOTE 31

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

NOTE 32

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

NOTE 33

In pursuance of the order dated 25th July, 2012 of the Honourable High Court of Delhi, a scheme of amalgamation of the company with Sharda Sejong Auto Components (India) Ltd., a wholly owned subsidiary of the company, has been approved. Hence, figures pertaining to current year are merged figures and are not comparable with that of the previous year.

NOTE 34

Figures are rounded off to nearest rupee in lakhs.

For and on Behalf of
the Board of Directors

(NITIN VISHNOI)
Company Secretary

(PRADEEP RASTOGI)
President-Legal & CFO

(N. D. RELAN)
Co-Chairman
DIN 00240280

PLACE : New Delhi
DATED : 28th May, 2013

(D.A. AGGARWAL)
Sr. Vice President (F&A)

(AJAY RELAN)
Managing Director
DIN 00257584

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details
 Registration No.
 State Code
 Balance Sheet Date
 Day Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)
 Public Issue
 Bonus Issue
 Right Issue
 Private Placement

III. Capital Raised during the year (Amount in Rs. Thousands)
 Total Liabilities
 Total Assets
 Source of Funds
 Paid-Up Capital
 Secured Loans
 Deferred Tax Liability
 Reserves & Surplus
 Unsecured Loans
 Application of Funds
 Net Fixed Assets*
 Net Current Assets
 Investments
 Misc. Expenditure

* Includes Capital work in progress.

IV. Performance of Company (Amount in Rs. Thousand)
 Turnover / Income
 Total Expenditure
 + - Profit/Loss Before Tax
 + - Profit/Loss After Tax
 Please tick Appropriate box (+) for Profit (-) for loss
 + - Earning per Share in Rs.
 Dividend rate %

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)
 Item Code No. (ITC Code)
 Product
 Description
 Item Code No. (ITC Code)
 Product
 Description
 Item Code No. (ITC Code)
 Product
 Description

For and on Behalf of
the Board of Directors

(NITIN VISHNOI)
Company Secretary

(PRADEEP RASTOGI)
President-Legal & CFO

(N. D. RELAN)
Co-Chairman
DIN 00240280

(D.A. AGGARWAL)
Sr. Vice President (F&A)

(AJAY RELAN)
Managing Director
DIN 00257584

PLACE : New Delhi
DATED : 28th May, 2013

BOARD OF DIRECTORS



N. D. RELAN
Co-Chairman



KISHAN N. PARIKH
Chairman



AJAY RELAN
Managing Director



SHARDA RELAN
Director



ROHIT RELAN
Director



R. P. CHOWDHRY
Director



O. P. KHAITAN
Director



PROF. ASHOK KUMAR BHATTACHARYA
Director



UDAYAN BANERJEE
Executive Director

KEY EXECUTIVES



S. D. LEE
President



ANIL BADHWAR
President



DR. SIVANAND RAJA DURAI
(Head - R & D Centre)



BIRESWAR MITRA
President



ATUL SHETH
COO- Nashik &
Chakan



PRADEEP RASTOGI
President - Legal & CFO



D. A. AGGARWAL
Sr. Vice President (F&A)



NITIN VISHNOI
Company Secretary



SUNG HO LEE
Vice President
(Chennai Plant-II)



Lt. Col. PREM GABA
Vice President
(Surajpur Plant)



RAMESH SAXENA
Vice President
(Gurgaon Plant)



PRASHANT PATIL
Vice President
(Chakan Plant)



K. K. SHARMA
Vice President
Chennai Plant - I



A. K. CHATURVEDI
Sr. General Manager
(Taxation)



RAJESH MALIK
Sr. General Manager
(Haridwar Plant)



N. R. PILLAI
General Manager
(P & A / HR)



PARAMJEET SINGH
General Manager
SMIL-Nashik



SHARDA MOTOR INDUSTRIES LIMITED

Registered Office:





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



Sharda Motor Industries Ltd.

FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

S.No.	Particular	Details
1	Name of the company	Sharda Motor Industries Limited
2	Annual financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Un-Qualified
4	Frequency of observation	Not Applicable
5	To be signed by-	
	• CEO/Managing Director	 Shri Ajay Relan
	• CFO	 Shri Pradeep Rastogi
	• Auditor of the company	M/S S. R. Dinodia & Co. Chartered Accountant K-39, Connaught Circus, New Delhi -110 001 For S.R. DINODIA & CO. Chartered Accountants  PARTNER
	• Audit Committee Chairman	 Shri O.P. Khaitan 6 th August' 2013

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

Tel.: 91-11-47334100, Fax : 91-11-26811676

E-mail : smil@shardamotor.com, Website : www.shardamotor.com