



# 30<sup>th</sup> ANNUAL REPORT 2014-15

**IF YOU BELIEVE IN IT,  
YOU CAN ACHIEVE IT.**

*TEAM SMIL*

**BOARD OF DIRECTORS**

KISHAN N PARIKH	Chairman
N. D. RELAN	Co-Chairman
AJAY RELAN	Managing Director & CEO
SHARDA RELAN	Director
ROHIT RELAN	Director
R. P. CHOWDHRY	Director
O. P. KHAITAN	Director
Prof. ASHOK KUMAR BHATTACHARYA	Director
BIRESWAR MITRA	Executive Director

**PRESIDENT (LEGAL) & CFO**

PRADEEP RASTOGI

**COMPANY SECRETARY**

NITIN VISHNOI

**AUDITORS**
**STATUTORY AUDITORS**

M/S. S. R. DINODIA & CO. LLP  
(Formerly known as M/s S. R. DINODIA & CO.)  
CHARTERED ACCOUNTANTS  
NEW DELHI

**SECRETARIAL AUDITORS**

M/S V.K. CHAUDHARY & CO.  
COMPANY SECRETARIES  
NOIDA

**COST AUDITORS**

M/S GURDEEP SINGH & ASSOCIATES  
COST ACCOUNTANTS  
NEW DELHI

**BANKERS**

YES BANK LIMITED  
HDFC BANK  
CITI BANK  
ICICI BANK  
STATE BANK OF INDIA  
PUNJAB NATIONAL BANK

**REGISTERED OFFICE**

D-188, OKHLA INDUSTRIAL AREA,  
PHASE - I, NEW DELHI - 110 020  
Website: [www.shardamotor.com](http://www.shardamotor.com)  
Email: [investorrelations@shardamotor.com](mailto:investorrelations@shardamotor.com)  
Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676  
(CIN: L74899DL1986PLC023202)

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N. D. Relan

## Co-Chairman's Message

Dear Valued Stakeholders,

During the year 2014-15, company generated significant amounts of cash profit, strengthened its assets base and overall financial position and most importantly continued to return value to its stakeholders.

Your Company is committed to adhere the best practices and highest standards of Corporate Governance. It is always ensured that the practices being followed by the Company are in alignment with its philosophy towards corporate governance. The well-defined vision and values of the Company drives it towards meeting business objectives while ensuring ethical conduct with all stakeholders and in all systems and processes. Your Company proactively works towards strengthening relationship with all constituents of the system through corporate fair practices, transparency and accountability.

I express my deep appreciation for the contribution made by the Board of Directors, Senior Management and employees of SMIL family to the significant improvement in the operations of the Company and for the support received from all stakeholders including banks, customers, suppliers and other business partners.

I would like to thank all my valued shareholders for your continued faith in your Company over the years. We look forward to your continued support to Company's transformational journey, which will take us all to a brighter and more prosperous future. Wish you and your families all the very best for the year 2015 and beyond.

## Managing Director's Message



Ajay Relan

Dear Valued Stakeholders,

The year 2014 - 15 has been a very challenging year especially for the automotive industry. The new economic realities have significant implications for your Company.

Adverse pressures and headwinds like inflation, exchange rate, higher RM costs and interest rates showed signs of depleting revenues and earnings. This coupled with weak consumer sentiments and varying industry dynamics posed a further challenge to maintain a year-on year growth.

Growing working population and expanding middle class are expected to remain key demand drivers. The Auto Component Makers are investing in new capacities and newer programmes in order to get long term advantage and are stepping up their product development capabilities in order to have the best chance of capturing growth opportunity.

The rapidly globalizing world is opening new avenues for the transportation industry, generating the need for more efficient, safe and reliable modes of transportation, which is subsequently adding to the auto component industry's growth opportunities. Newer verticals and opportunities for auto component manufacturers are expected

to open up as the automobile market would shift towards electric, electronic and hybrid cars and newer technologies will have to be adopted via systematic research and development.

Your Company embarks on new and exciting journey with a foremost commitment to delight the customer with advanced products and to set new industry benchmarks. We shall develop new and cutting-edge products at a faster pace and aggressively expand our pan-India footprint.

The support of our valued customers, suppliers, Government of India, the state governments, local communities and key contractors has been a key enabler. I personally thank all for their help. On your behalf, I also take this opportunity to thank all employees of your Company for their continued hard work, solidarity, cooperation and support.

On behalf of the Board, I would like to thank all valued Shareholders for your support and for your trust in SMIL family which aims to go a long way to enable us resolutely move in our journey and keep the faith bestowed upon us by delivering enduring value for our shareholders.

**NOTICE**

**NOTICE** is hereby given that the Thirtieth (30th) Annual General Meeting of Sharda Motor Industries Limited will be held at Habitat World, India Habitat Centre, Lodhi Road, New Delhi-110003, India on Wednesday, the 26th Day of August 2015 at 12.30 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements for the year ended on 31st March' 2015 along with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend for the financial year 2014-15.
3. To appoint a Director in place of Smt. Sharda Relan (holding DIN No.00252181) who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Shri R.P. Chowdhry (holding DIN No. 00337775) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s S. R. Dinodia & Co. LLP (formerly known as M/s S. R. Dinodia & Co.), Chartered Accountants (Registration No. 001478N / N500005), the retiring auditors of the Company, as Auditors of the Company, to hold office commencing from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors, to fix their remuneration for the period.

**SPECIAL BUSINESS:**

6. **TO RATIFY THE REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR 2015-16, AND IN THIS REGARD TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, and rules framed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other permissions as may be necessary, the members hereby ratify the remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) plus Service Tax as applicable and other out-of pocket expenses payable to M/s Gurdeep Singh & Associates, Cost Accountants (holding M No. 9967), appointed by the Board of Directors of the Company to conduct the audit of cost accounts of the Company for the financial year 2015-16."

**"RESOLVED FURTHER THAT** Shri N.D. Relan, Co- Chairman, Shri Ajay Relan, Managing Director, Shri Rohit Relan, Director and Shri Nitin Vishnoi, Company Secretary of the Company be and is hereby severally authorised to do all acts as may be necessary, proper or expedient to give effect to this Resolution."

7. **APPROVAL FOR ENTERING INTO RELATED PARTY TRANSACTIONS BY THE COMPANY, AND IN THIS REGARD 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 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or reenactment thereof for the time being in force) and as recommended and approved by the Audit Committee and Board of Directors in their respective meetings, the consent of the Company be and is hereby accorded for entering into any contract(s) or arrangement(s) with the related parties as defined under the Companies Act, 2013, rules made thereunder and the listing Agreement as per the details and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution"

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

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

Place : New Delhi  
Dated : 26th May' 2015

**Nitin Vishnoi**  
Company Secretary  
M. No. F3632

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the Special Business set out in the Notice, is annexed hereto. Additional information as required under clause 49 of the Listing Agreement pertaining to the Directors proposed to be appointed/ re - appointed vide Item Nos. 3 & 4 is also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the commencement of meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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

3. The Register of Members and the Share Transfer books of the Company will remain closed from 20th August' 2015 to 26th August' 2015 (both days inclusive) for determining the entitlement of the shareholders to the final dividend for 2014-15, if declared at the AGM.
4. Subject to the provisions of the Companies Act, 2013, dividend, if declared by members at Annual General Meeting, will be paid to those members, whose names appears on the Company's Register of Members as on 19th August' 2015; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Alankit Assignments Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Alankit Assignments Limited for assistance in this regard.
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Alankit Assignment Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
10. Members of the Company are informed that pursuant to the provisions of the Companies Act, 1956/2013 or any statutory reenactment thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund (“IEPF”) constituted by



the Central Government and thereafter, no claims shall lie against the Company. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividends to IEPF are as under:

Financial Year Ended	Date of Declaration of Dividend	Proposed Due date for transfer to IEP Fund
31.03.2008	04.08.2008	02.09.2015
31.03.2009	28.01.2009*	26.02.2016
31.03.2009	27.06.2009*	25.07.2016
31.03.2009	24.08.2009	22.09.2016
31.03.2010	28.01.2010*	26.02.2017
31.03.2010	18.08.2010	16.09.2017
31.03.2011	22.01.2011*	20.02.2018
31.03.2011	08.08.2011	06.09.2018
31.03.2012	24.01.2012*	22.02.2019
31.03.2012	12.09.2012	10.10.2019
31.03.2013	06.02.2013*	04.03.2020
31.03.2013	02.09.2013	30.09.2020
31.03.2014	29.01.2014*	27.02.2021
31.03.2014	03.09.2014	01.10.2021
31.03.2015	10.02.2015*	08.03.2022

\* Interim Dividend

11. The Notice of the AGM along with the Annual Report 2014 –15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Alankit Assignments Limited/Depositories.
13. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder and the provisions of the listing Agreement, Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically. Remote E-voting is optional and not mandatory. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing Remote E-voting facility to all its Members.

The instructions for e-voting are as under:

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

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company)
- (iv) Enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

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



- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Note for Non-Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (D) Other Instructions:
    - (i) The Remote e-voting period commences on Friday, 21st August' 2015 (2.00 p.m. IST) and ends on Tuesday, 25th August' 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Cut Off date i.e. Wednesday, 19th August' 2015 (the "Cut Off Date") may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
    - (ii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 19th August' 2015 may follow the same instructions as mentioned above for e-Voting.
14. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Wednesday, 19th August' 2015 (the "Cut Off Date") shall only be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut Off date. A person who is not a member as on the Cut-Off Date should treat this notice for information purpose only.

15. At the venue of AGM, voting shall be done through ballot papers ("Polling Paper") and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
16. A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.
17. Shri Vineet K Chaudhary , Company Secretary in Practice (Membership No. FCS 5327), having consented to act as a scrutinizer, has been appointed as the Scrutinizer ("Scrutinizer") to scrutinize the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.
18. The scrutinizer shall, within three days after the conclusion of AGM, submit his final and consolidated report to the Chairman of the Company or any person authorised by him in writing, who shall countersign the same. The scrutinizer's decision on the validity of all kinds of voting will be final. The results of annual general meeting shall be declared by the Chairman or any person authorised by him in writing, after the annual general meeting within the prescribed time limits. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.shardamotor.com](http://www.shardamotor.com) and on the website of CDSL: [www.cdslindia.com](http://www.cdslindia.com) and will be communicated to the BSE Limited, where the shares of the Company are listed
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
20. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during 11:00 A.M. to 1:00 P.M. on all working days up to the date of Annual General Meeting.
21. **INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:**

As required under Clause 49 of the Listing Agreement, the particulars of Directors who are proposed to be re-appointed are furnished below:

Particulars	Smt. Sharda Relan	Shri R.P. Chowdhry
<b>Date of Birth</b>	11th August 1935	16th May 1925
<b>Nationality</b>	Indian	Indian
<b>Date of first Appointment</b>	29th January 1986	29th August 1986
<b>Qualification</b>	Graduate	B. Tech
<b>Expertise in specific functional area</b>	Corporate Management	Business Management
<b>Directorships held in Other Public Companies in India</b>	Relan Industrial Finance Limited	None
<b>Chairman/ Member of Committee of the Board of other Public Companies in which they are director</b>	None	None
<b>Shareholding in Sharda Motor Industries Limited</b>	697520 Shares	600 Shares
<b>Inter-se Relationship between Directors</b>	Relative of Shri N.D. Relan, Shri Ajay Relan and Shri Rohit Relan	None

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

Place : New Delhi  
Dated : 26th May 2015

**Nitin Vishnoi**  
Company Secretary  
M.No. F3632