



# 32<sup>nd</sup> Annual Report 2016 - 17



**SHARDA**  
MOTOR INDUSTRIES LIMITED



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

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## Managing Director's Message

Dear Valued Stakeholders

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

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

I am very happy to share the performance of the Company in the FY 2016-17 as the Net Profit of the Company has increased by approximate 64% since the last year, which is a very healthy



**AJAY RELAN**

sign of achieving the operational efficiency through laborious efforts and continuous process development.

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

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

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

**NOTICE**

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

**ORDINARY BUSINESS:**

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

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

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

**SPECIAL BUSINESS:**

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

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

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

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

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

Dated : 17<sup>th</sup> July, 2017  
Place : New Delhi

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

**NOTES:**

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business(es) set out in the Notice, is annexed hereto. Additional information as required under Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pertaining to the Directors proposed to be appointed/ re-appointed is also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  

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

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

Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 24<sup>th</sup> August, 2017 to Wednesday, 30<sup>th</sup> August, 2017 (both days inclusive).
4. Subject to the provisions of the Companies Act, 2013, final dividend, if declared by the members at the Annual General Meeting, will be paid to those members, whose names appears on the Company's Register of Members as on 23<sup>rd</sup> August, 2017 i.e. record date. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, Alankit Assignments Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Alankit Assignments Limited.
6. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Alankit Assignments Limited for assistance in this regard.
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members having any question on financial statements or any agenda item proposed in the notice of AGM are requested to send their queries at an early date to enable the management to keep the relevant information ready at the meeting.
10. Members of the Company are informed that pursuant to the provisions of the Companies Act, 2013 or any statutory re- enactment thereof, the amount of dividend which remains unclaimed/ unpaid for a period of 7 years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education & Protection Fund ("IEPF") constituted by the Central Government and thereafter, no claims shall lie against the Company. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules. So, you are advised to claim the same from the Company immediately. The due dates of transfer of the following dividends to IEPF are as under:

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

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

\* Interim Dividend

11. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Annual Report and Notice is also available on Company's website [www.shardamotor.com](http://www.shardamotor.com)
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Alankit Assignments Limited/Depositories.
13. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, Secretarial Standard-2 and Listing Regulations, Company is pleased to provide facility of remote e-voting to all its members to enable them to cast their votes on all resolutions set forth in this notice electronically. Remote e-voting is optional and not mandatory. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing remote e-voting facility to all its Members.

The instructions for e-voting are as under:

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

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](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 Form and Physical Form
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>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.</li> <li>In case the sequence number is less than 8 digits, enter the applicable number of zeros (0s) before the number after the first two characters of the name in CAPITAL letters. E.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

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

- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
  - (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xiv) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xv) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
  - (xvi) Shareholders can cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google play store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - (xvii) Note for Non-Individual Shareholders and Custodians:
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](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 linked in the login 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. (xvii) above to cast vote.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (D) The Remote e-voting period will commence on Sunday, 27<sup>th</sup> August, 2017 (09:00 a.m. IST) and ends on Tuesday, 29<sup>th</sup> August, 2017 (05:00 p.m. IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-Off date i.e. Wednesday, 23<sup>rd</sup> August, 2017 (the "Cut-Off Date") may cast their vote electronically, and the e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the Member, he shall not be allowed to change it subsequently.
14. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Wednesday, 23<sup>rd</sup> August, 2017 (the "Cut-Off Date") shall only be entitled to vote through remote e-voting and at the AGM. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-Off date. A person who is not a member as on the Cut-Off date should treat this notice for information purpose only.
  15. At the venue of the AGM, voting shall be done through ballot papers ("Polling Paper") and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
  16. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the venue of the AGM. If a member casts votes through remote e-voting and also at the AGM, then voting done through remote e-voting shall prevail and voting done at the AGM shall be treated as invalid.
  17. Shri Vineet K Chaudhary, Company Secretary in whole time Practice (Membership No. FCS 5327), having consented to act as a scrutinizer, has been appointed as the Scrutinizer ("Scrutinizer") to scrutinize the voting process (Ballot Paper as well as remote e-voting) in a fair and transparent manner.

18. The results of the voting on resolutions shall be declared by the Chairman/Co-Chairperson or any other person authorised by him/her in writing after the AGM within the prescribed time limits. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. [www.shardamotor.com](http://www.shardamotor.com) and will also be available on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) and will be communicated to the stock exchanges, where the shares of the Company are listed.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
20. All the documents referred to in the accompanying notice will be available for inspection at the Registered Office of the Company during 11:00 a.m. to 01:00 p.m. on all working days i.e. Monday to Friday up to the date of AGM and will also be available for inspection at the meeting.

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

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

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

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

Date : 17<sup>th</sup> July, 2017  
Place : New Delhi

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

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 6**

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

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

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

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

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

Date : 17<sup>th</sup> July, 2017  
Place : New Delhi

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