



SWARAJ AUTOMOTIVES LIMITED

Swaraj Automotives Limited

Company Secretary
RAJESH KUMAR KAPILA

Auditors
M/S J.S.CHOPRA & ASSOCIATES
Chartered Accountants

Bankers
STATE BANK OF PATIALA
AXIS BANK LIMITED

Registered Office
Phase-IV, Industrial Area
S.A.S.Nagar (Mohali)
Punjab -160 055

Works
Nabha (Distt. Patiala)
Punjab -147 201

Website
www.swarajenterprise.com

BOARD OF DIRECTORS

HARDEEP SINGH
Chairman

RAJESH JEJURIKAR

A.K.MAHAJAN

S.DURGASHANKAR

NEERA SAGGI

ANNUAL GENERAL MEETING

on Tuesday, 28th July, 2015
at 3.45 P.M. at Swaraj Engines Limited,
Plot No. 2, Industrial Phase IX,
S.A.S. Nagar (Mohali)
Punjab 160 062

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of Swaraj Automotives Limited will be held on **Tuesday, the 28th day of July, 2015 at 3.45 P.M.** at Swaraj Engines Limited, Plot No. 2, Industrial Phase IX, S.A.S.Nagar (Mohali), Punjab 160062 to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri A.K.Mahajan (DIN 00648889) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration 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 Section 139 of the Companies Act, 2013, M/s J.S.Chopra & Associates, Chartered Accountants (ICAI Registration No. 008849N), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Aggarwal Vimal & Associates, Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, be paid a remuneration of Rs.30,000/- (Rupees thirty thousand only) plus taxes as may be applicable and reimbursement of such other out of pocket expenses as may be incurred by the said Cost Auditors during the course of the audit.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:**

"RESOLVED that pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association and such other approvals, consents, and permissions as may be required from any statutory or other authorities, the Independent Director(s) of the Company be paid remuneration by way of Commission of Rs.10 lakhs per annum during the currency of his/her tenure as the Independent Director (and on pro rata basis if the tenure of directorship of the Independent Director is less than full financial year) for a period of five years with effect from 1st April, 2014, on the net profit of the Company for a financial year computed in accordance with the provisions of the Companies Act, 2013, subject to the overall ceiling of 1% of the said net profit as total commission payable to the Non-Executive Directors under the Companies Act, 2013."

NOTES

1. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
4. The Company's Registrar and Share Transfer Agent for its Share Registry Work (Physical and Electronic) are M/s MCS Share Transfer Agent Limited having their office at F-65, First Floor, Okhla Industrial Area, Phase 1, New Delhi - 110020.
5. The Register of Members and Share Transfer Books of the Company will be closed from 11th July, 2015 to 17th July, 2015 (both days inclusive).
6. The dividend, if declared at the Annual General Meeting, would be paid / dispatched on or after 29th July, 2015 to those shareholders or their mandates :
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 10th July, 2015 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / its Registrar and Share Transfer Agents on or before 10th July, 2015.
7. Members/Proxies are requested to bring their attendance slips and copy of Annual Report to the Meeting.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Secretary of the Company at least 10 days before the date of the Meeting so that information required may be compiled and made available at the Meeting.
9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends for and upto the financial year ended 31st March, 2007 to the Investor Education and Protection Fund (IEPF). The Company has uploaded the information of unclaimed / unpaid dividend lying with the Company as on 31st July, 2014 (date of last Annual General Meeting) on the website of the Company (www.swarajenterprise.com). Members who have not encashed the dividend warrant(s) so far for any subsequent financial years are requested to make their claims to the Company. It may be noted that once the amounts in the unpaid dividend accounts are transferred to the IEPF, no claim shall lie against the IEPF or the Company in respect thereof.
10. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
11. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in to Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited at their above mentioned address. Members

holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

12. Payment of Dividend through ECS :

- a) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for the payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
- b) Members holding shares in physical form and wishing to avail the facility of electronic credit of dividend directly to their respective bank accounts through the Electronic Clearing Service (ECS) / National Electronic Clearing Service (NECS) are requested to intimate the particulars of their bank account, viz., name and address of the branch of the bank with 9 digit MICR code of the branch & 11 digit IFSC, type of account and account number latest by 17th July, 2015 to Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited. Members located in places where ECS/NECS facility is not available may submit their bank details to enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

13. For receiving all shareholder communications faster, including annual reports, the shareholders are requested to kindly register/update their e-mail address with their respective Depository Participant, where shares are held in electronic mode. If, however, shares are held in physical form, shareholders are advised to register their e-mail address with Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited.

14. Members are requested to:

- Intimate to the Company's Registrar and Share Transfer Agent, M/s MCS Share Transfer Agent Limited at their above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form.
- Intimate directly to the respective Depository Participant, changes, if any, in their registered addresses, nomination, power of attorney etc., at an early date, in case of shares are held in dematerialised form. The Company will not take cognizance of any such requests directly from shareholders.
- Quote their folio numbers / Client ID / DP ID in all correspondence.
- consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

15. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members facility to exercise their right to vote at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The shareholders may cast their vote using an electronic voting system from a place other than the venue of the meeting ("Remote e-voting").

The instructions for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
- (i) Open email and open attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Open the internet browser by typing the URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder - Login
 - (iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - (v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - (vi) Password change menu will appear on your screen. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vii) Once the e-voting home page opens, click on e-Voting> Active Voting Cycles.
 - (viii) Select "EVEN" (E-Voting Event Number) of Swaraj Automotives Limited. Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to ajaykcs@gmail.com with a copy marked to evoting@nsdl.co.in
- B. For the members whose email IDs are not registered with the Company/Depository Participants(s):
- (i) Initial password alongwith physical copy of the Notice of AGM is being sent separately in the permitted mode.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of www.evoting.nsdl.com
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The remote e-voting period commences on 24th July, 2015 (9:00 am) and ends on 27th July, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, the 21st July, 2015, may cast their vote

electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again. The shareholders who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

- V. The facility for voting through ballot will also be made available at the AGM and shareholders attending the AGM who have not already cast their vote by remote e-voting will be able to exercise their right at the AGM.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, the 21st July, 2015.
- VII. Any person, who acquires shares of the Company and become shareholder of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e 21st July, 2015, may obtain the Login ID and password by sending a request at evoting@nsdl.co.in or Registrar and Share Transfer Agent of the Company.

If the shareholder is already registered with NSDL for remote e-voting then he can use his existing User ID and password for casting the vote through remote e-voting.

- VIII. Shri Ajay K Arora, Practicing Company Secretary (Membership No.2191), Proprietor - M/s. A.Arora & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- IX. The Scrutinizer shall immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days on conclusion of the annual general meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.swarajenterprise.com and on the website of NSDL.
- X. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 28th July, 2015.

16. Appointment / Re-appointment of Directors

Shri A.K.Mahajan shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Shri A.K.Mahajan does not hold any Equity Shares in the Company.

None of the Directors of the Company are inter-se related to each other.

Regd. Office :
Phase IV, Industrial Area
S.A.S. Nagar (Mohali)
Punjab - 160 055
Email: kapila.rajesh@mahindraswaraj.com
Dated: 27th April, 2015
CIN: L45202PB1974PLC003516

BY ORDER OF THE BOARD

(RAJESH KUMAR KAPILA)
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the items of the Special Business.

Item No. 5

The Board, on the recommendation of Audit Committee, has approved the appointment of M/s Aggarwal Vimal & Associates, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 and the Board, subject to the ratification by the members, approved the remuneration of Rs.30,000/- (Rupees thirty thousand only) plus applicable taxes and reimbursement of such other out of pocket expenses as may be incurred by the said Cost Auditors during the course of the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

None of the Directors, key managerial personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

Having regard to the nature of duties being performed by the Independent Director(s) of the Company and taking into account various factors such as time, efforts and intellectual contribution being made by the Independent Director(s), it is proposed to pay remuneration by way of Commission of Rs.10 lakhs per annum during the currency of his/her tenure as the Independent Director (and on pro rata basis if the tenure of directorship of the Independent Director is less than full financial year), subject to the Company achieving net profit in a financial year computed in accordance with the provisions of the Companies Act, 2013, and further subject to the overall ceiling of 1% of the said net profit as total commission payable to the Non-Executive Directors under the Companies Act, 2013. The Board of Directors of the Company, at its meeting held on 20th October, 2014, considered and approved the aforesaid proposal and that the payment as aforesaid shall be subject to compliance of the provisions of the Companies Act, 2013, including achieving profitability by the Company.

Article No. 135(1) of the Articles of Association of the Company, states that the Directors may be paid such further remuneration (beside sitting fees) as the Company in general meeting from time to time determine and such further remuneration shall be divided amongst the Directors in such proportion and manner as the Board of Directors may from time to time determine.

Except the Independent Directors and their respective relatives, none of the Directors, key managerial personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

Regd. Office :
Phase IV, Industrial Area
S.A.S. Nagar (Mohali)
Punjab - 160 055
Email: kapila.rajesh@mahindraswaraj.com
Dated: 27th April, 2015
CIN: L45202PB1974PLC003516

BY ORDER OF THE BOARD

(RAJESH KUMAR KAPILA)
Company Secretary

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors are pleased to present their 40th Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2015.

FINANCIAL RESULTS :

	(Rs. in Crores)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Net Revenue from Operations	93.83	80.64
Other Income	0.78	0.62
Total Revenue	94.61	81.26
Profit before Depreciation, Finance Charges and Tax	4.51	4.62
Finance Costs	0.01	0.02
Depreciation & Amortization Expense	0.96	1.06
Profit for the year	3.54	3.54
Prior period adjustments	(+) 0.03	(+) 0.01
Profit Before Tax	3.57	3.55
Tax Provision		
– Current	1.35	1.15
– Deferred	(0.19)	(0.01)
– Short tax provision of earlier years	–	0.06
Profit After Tax	2.41	2.35
Surplus – Opening Balance after adjustment for carrying value of assets	4.15	3.85
Surplus available for appropriation	6.56	6.20
Appropriations:		
Proposed Dividend	0.84	0.84
Tax on Dividend	0.17	0.14
Transfer to General Reserve	0.50	0.50
Surplus - Closing Balance	5.05	4.72

REVIEW OF OPERATIONS

Members may kindly note that fiscal 2015 was a challenging year as both automobile industry and tractor industry, with which your Company's business is mainly linked, experienced tough market conditions. The domestic tractor industry, after remaining almost flat during the first half, witnessed a significant decline in the second half of the year under review. This industry trends has impacted tractor seats business of your Company. However, with some signs of improvement in passenger vehicles - car segment and increased off takes by the new customer introduced in the last quarter of pervious year, the seat mechanism business has recorded overall improvement over last year. During the year, the Company also registered growth in the business from agri implements.

SWARAJ AUTOMOTIVES LIMITED

In view of the above facts, total net revenue for the financial year 2014-15 stood at Rs.94.61 crores against the previous year's revenue of Rs.81.26 crores. On the aforesaid revenue, profit before tax at Rs.3.57 crores remained almost at previous year's level of Rs.3.55 crores primarily due to change in the product mix. Profit after tax for the year was Rs.2.41 crores (previous year - Rs.2.35 crores). These post tax earnings translated into an Earning Per Share (EPS) of Rs.10.07 (previous year - Rs.9.79).

DIVIDEND

Your Directors have recommended a dividend of Rs.3.50 per Equity Share of face value of Rs.10.00 each for the financial year 2014-15, same as declared and paid in the previous year. The dividend would be payable to those Members whose names shall appear in the Register of Members as on Book Closure date. The dividend including dividend distribution tax, surcharge and education cess would absorb a sum of Rs.1.01 crores (previous year - Rs.0.98 crore).

FINANCE

The fund position of the Company stayed comfortable throughout the financial year 2014-15. As a result, after meeting routine capital expenditure and working capital requirements to support the operations, net interest income for the year was Rs.0.59 crore against Rs.0.50 crore for the previous year.

SHARE CAPITAL

The Company has neither issued any shares with differential voting rights nor granted stock options or sweat equity during the year under review. The Issued and Paid-up Share Capital of the Company remained unchanged during the year and stood at Rs.2.40 crores at the end of the financial year 2014-15.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not extended any loans, given guarantees or provided securities and made investment pursuant to Section 186 of the Companies Act, 2013.

INDUSTRIAL RELATIONS

Industrial relations were cordial throughout the year under review. The Company has entered into a new four year wage agreement with the workers.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company is committed towards excellence in Safety, Occupational Health and Environment. This is also to ensure sustainable business growth. The Company has a well-established Safety, Occupational and Environmental Policy which inter alia ensures safety of public, employees, plant and equipment by ensuring compliance with all statutory rules and regulations on regular basis. Your Company also imparts training to its employees as per the predefined training calendar, carries out statutory safety audits of its facilities as per legal requirement and promotes eco-friendly activities. In reiteration of its commitment to improve the well being of the employees, Medical Check-ups, both curative and preventive have been organized regularly, including educating the employees on Industrial Hygiene at the work place. The Company's Plant is ISO 14001 : 2004 and OHSAS 18001 : 2007 certified.

CORPORATE SOCIAL RESPONSIBILITY

Keeping with the Company's core value of Good Corporate Citizenship, your Company is committed to display its social responsibility by taking various initiatives benefiting the society at large. These initiatives include organizing plantation of trees at various locations, awareness campaign on ill effects of tobacco, organizing medicines, beds and sheets to destitute people's home etc.

During the year under review, the Company was not covered under the provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility.

SUSTAINABILITY INITIATIVE

Your Company is conscious of its responsibility towards preservation of natural resources and continuously taking various initiatives to reduce the consumption of electricity and water.

DIRECTORS

Shri S.C.Bhargava, consequent to not seeking the re-appointment, ceased to be Director of the Company with effect from the last Annual General Meeting of the Company held on 31st July, 2014. Consequent to their resignations, Shri Sanjeev Goyle and Shri G.Rathinam ceased to be Directors of the Company with effect from 13th June, 2014 and 29th January, 2015 respectively. Your Board has placed on record its deep appreciation of the contributions of Shri Bhargava, Shri Goyle and Shri Rathinam as Directors of the Company.

As shared in the last year's Directors' Report, consequent upon their resignations, Dr. Pawan Goenka and Shri V.S.Parthasarathy ceased to be Directors of the Company with effect from 9th April, 2014 and 29th April, 2014 respectively and Shri S.Durgashankar joined the Company's Board with effect from 18th June, 2014. Further, Members also approved the appointment of Shri Hardeep Singh and Smt. Neera Saggi as Independent Directors under the Companies Act, 2013 for a period of 5 years, not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Consequent to the desire expressed by Shri Rajesh Jejurikar to step down from the Chairmanship of the Company, the Board of Directors in their meeting held on 29th January, 2015 has appointed Shri Hardeep Singh as Chairman of the Company in place of Shri Jejurikar.

In terms of Section 152 of the Companies Act, 2013, Shri A.K.Mahajan shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee (NRC), framed policies on appointment of Directors and Senior Management and their remuneration. The NRC reviews and assesses Board composition and recommends the appointment of new Directors as and when required. In evaluating the suitability of individual Board member, the NRC takes into account the criteria as laid down in the policy. Based on recommendation of the NRC, the Board evaluates the candidature and decides on the selection of the appropriate member. The NRC identify persons who are qualified to become Executive Director(s) and who may be appointed in senior management team. The NRC also decides the basis for determining the compensation, both Fixed and Variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The remuneration to Executive Director(s), if any, is recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation as approved by the Board within the overall limits specified in the Shareholders resolution.

DIRECTORS' MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, four Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors in terms of Section 134(3)(c) of the Companies Act, 2013 state that:

- a) in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;

- b) in the selection of the accounting policies, consulted the Statutory Auditors and applied them consistently and made judgment and estimates that 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, 2015 and of the profit of the Company for the year ended on that date;
- c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts have been prepared on a going concern basis;
- e) internal financial controls to be followed by the Company have been laid down, which are adequate and operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

AUDIT COMMITTEE

The Audit Committee comprises Shri Hardeep Singh (Chairman) and Shri Rajesh Jejurikar and Smt. Neera Saggi as other members. All the recommendations made by the Audit Committee were accepted by the Board.

KEY MANAGERIAL PERSONNEL

Shri Arun Arora, Manager, Shri Rajesh K Kapila, Company Secretary and Shri Kulvinder S Dhiman, Chief Financial Officer of the Company are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013. While Shri Kapila was already in the office as Company Secretary before the commencement of the Companies Act, 2013, the Board appointed Shri Arun Arora as Manager and Shri Kulvinder S Dhiman as Chief Financial Officer with effect from 29th April, 2014. Further, the Members also approved the appointment of Shri Arun Arora as Manager of the Company for a period of 5 years.

INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has laid down adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no material weakness in their operating effectiveness was observed.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism through Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The policy is posted on the website of the Company.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year 2014-15 were in the ordinary course of the business and were on arm's length basis. There were no materially significant related party transactions made by the Company which may have a potential conflict of the interest with its Promoters, Directors, Key Managerial Personnel or other persons. All such Related Party Transactions are placed before the Audit Committee for approval, wherever applicable. Details of related parties and transactions with them are covered at Note 2.27 of the Annual Accounts.

AUDITORS

M/s J.S. Chopra & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have expressed their willingness to act as Auditors of the Company, if appointed, and have further

confirmed that the said appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. The Members are requested to appoint Auditors and fix their remuneration.

The Audit Report issued by the Auditors of the Company forms part of the Annual Report and does not contain any qualification, reservation or adverse remark.

COST AUDITORS

Pursuant to Section 148(3) of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors on the recommendation of Audit Committee has appointed M/s Aggarwal Vimal & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year ending on 31st March, 2016. M/s Aggarwal Vimal & Associates have confirmed that their appointment, if approved, will be within the limits of Section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from disqualification specified under Section 141(3) of the Companies Act, 2013.

The Cost Audit Report for the financial year ended 31st March, 2014 was filed within the due date on 24th September, 2014.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s A.Arora & Co., a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as Annexure A. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure B.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of the above activities stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure C.

DE-RECOGNITION OF DELHI STOCK EXCHANGE

Members are aware that the Company's equity shares were listed exclusively at Delhi Stock Exchange (DSE). However, the Securities and Exchange Board of India (SEBI) vide its order dated 19th November, 2014 had withdrawn the recognition of DSE. In the back drop of these developments, the Company is taking initiatives to get its equity shares listed at one of the nationwide stock exchange.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

ACKNOWLEDGMENT

Your Directors would like to thank various Government Authorities and Banks for the cooperation extended by them and also take this opportunity to express their deep sense of appreciation to all the stakeholders of the Company for the support provided by them during the year. The Directors also place on record the appreciation to all the employees of the Company for the efforts put in by them.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 27th April, 2015

HARDEEP SINGH
Chairman

ANNEXURE A TO DIRECTORS' REPORT**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

To,
The Members,
Swaraj Automotives Limited
Phase IV, S.A.S. Nagar,
Punjab

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SWARAJ AUTOMOTIVES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the SWARAJ AUTOMOTIVES LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SWARAJ AUTOMOTIVES LIMITED ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the company has not issued any securities during the financial year under review.
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the company has not granted any options to its employees during the financial year under review.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the company has not issued any debt securities during the financial year under review.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923 etc.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India- Not notified hence not applicable to the company during the audit period.
- b) The Listing Agreements entered into by the Company with Delhi Stock Exchange Limited;
During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3. All decision is carried through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- 4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that:

- 1. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 2. Based on the examination of the relevant documents and records on test-check basis the company has Complied with the following laws specifically applicable to the company:
 - a) The Static and Mobile Pressure Vessels Rules, 1981
 - b) The Gas Cylinder Rules, 1981, Amended 2004
 - c) The Batteries (M&H) Rules, 2001

I further report that during the audit period, there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place : Chandigarh
Date : 23rd April, 2015

AJAY K. ARORA
A. ARORA & COMPANY
F.C.S. No. 2191
CP No. 993

ANNEXURE B TO DIRECTORS' REPORT**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9**I. Registration and Other Details**

CIN	L45202PB1974PLC003516
Registration Date	20-11-1974
Name of the Company	Swaraj Automotives Limited
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered Office and contact details	Phase IV, Industrial Area, S.A.S.Nagar (Mohali) Punjab - 160055 Tel. No. 0172-2271620-27
Whether listed company	No
Name, address and contact details of Registrar and Transfer Agent, if any	M/s MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110020 Tel No. 011-41406149

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
Auto components	2930	86.3%
Agri implements	28212	13.7%

III. Particulars of Holding, Subsidiary and Associate Companies

Name and address of the Company	CIN	Holding / Subsidiary / Associates	% of shares held	Applicable Section
Mahindra & Mahindra Limited	L65990MH1945PLC004558	Holding	71.19	2(46)

SWARAJ AUTOMOTIVES LIMITED
IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2014)				No. of shares held at the end of the year (as on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1778655	-	1778655	74.18	1778655	-	1778655	74.18	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	1778655	-	1778655	74.18	1778655	-	1778655	74.18	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	1778655	-	1778655	74.18	1778655	-	1778655	74.18	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Fund	-	-	-	-	-	-	-	-	-
b) Banks / FI	194865	-	194865	8.13	194865	-	194865	8.13	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	40220	-	40220	1.68	40220	-	40220	1.68	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	235085	-	235085	9.81	235085	-	235085	9.81	-

SWARAJ AUTOMOTIVES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2014)				No. of Shares held at the end of the year (as on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	20256	94894	115150	4.80	256	94994	95250	3.97	-0.83
ii) Overseas	204132	-	204132	8.51	204132	-	204132	8.51	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	25825	38866	64691	2.70	21000	38591	59591	2.49	-0.21
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	25000	-	25000	1.04	1.04
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	250213	133760	383973	16.01	250388	133585	383973	16.01	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	485298	133760	619058	25.82	485473	133585	619058	25.82	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2263953	133760	2397713	100.00	2264128	133585	2397713	100.00	-

(ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year (as on 01-04-2014)			Shareholding at the end of the year (as on 31-03-2015)			% change in shareholding during the year
	No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
Mahindra & Mahindra Ltd.	1706925	71.19	-	1706925	71.19	-	-
Punjab State Industrial Development Corp. Ltd.	71730	2.99	-	71730	2.99	-	-
Total	1778655	74.18	-	1778655	74.18	-	-

SWARAJ AUTOMOTIVES LIMITED

(iii) Change in Promoters Shareholding

	Shareholding at the beginning of the year (as on 01-04-2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	1778655	74.18	1778655	74.18
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Nil	Nil	Nil	Nil
At the end of the year	1778655	74.18	1778655	74.18

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Name of Shareholder	Shareholding at the beginning of the year (as on 01-04-2014)		Change in Shareholding (No. of Shares)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
	No. of Shares	% of total shares of Company	Increase/ (Decrease)	Date/ Reason	No. of Shares	% of total shares of Company
1. CDC-PTL Holdings Limited	204132	8.51	-	-	204132	8.51
2. ICICI Bank Limited	106389	4.44	-	-	106389	4.44
3. Punjab Wireless Systems Limited	90000	3.75	-	-	90000	3.75
4. IDBI Bank Limited	88476	3.69	-	-	88476	3.69
5. Hema Rajendrabhai Gandhi	24000	1.00	1000	08-08-2014 / Transfer	25000	1.04
6. Life Insurance Coporation of India	22832	0.95	-	-	22832	0.95
7. Gursharan Kaur	5000	0.21	-	-	5000	0.21
8. JCT Electronics Limited	4894	0.20	-	-	4894	0.20
9. National Insurance Co. Limited	4416	0.18	-	-	4416	0.18
10. The Oriental Insurance Co. Limited	4416	0.18	-	-	4416	0.18

Note: Top ten shareholders of the Company as on 31st March, 2015 has been considered for the above disclosure.

(v) Shareholding of Directors and Key Managerial Personnel

Name of Director and KMP	Shareholding at the beginning of the year (as on 01-04-2014)		Change in Shareholding (No. of Shares)		Cumulative Shareholding during the year (01-04-2014 to 31-3-2015)	
	No. of Shares	% of total shares of Company	Increase/ (Decrease)	Date/ Reason	No. of Shares	% of total shares of Company
Directors	-	-	-	-	-	-
KMPs						
1. Sh. Rajesh K Kapila, Company Secretary	11	-	-	-	11	-

V. Indebtedness

The Company has not availed any loan during the year and is debt free Company.

VI. Remuneration of Directors and Key Managerial Personnel

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

S. No.	Particulars of Remuneration	Sh. Arun Arora (Manager)	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	46.23	46.23
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	1.53	1.53
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2	Stock Option*	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others	-	-
5	Others	-	-
	Total (A)	47.76	47.76

* Excludes stock options from Holding Company - Mahindra & Mahindra Ltd.

B. Remuneration to other Directors:

1. Independent Directors (Rs. in Lacs)

Particulars of Remuneration	Name of Directors			Total Amount
	Sh. Hardeep Singh	Smt. Neera Saggi (Appointed w.e.f. 01-10-2014)	Sh. S.C. Bhargava (Ceased to be Director w.e.f. 31-07-2014)	
- Fee for attending Board/Committee Meetings	1.10	1.00	0.50	2.60
- Commission	1.75	0.87	-	2.62
- Others	-	-	-	-
Total (B)(1)	2.85	1.87	0.50	5.22

2. Other Non-Executive Directors (Rs. in Lacs)

Particulars of Remuneration	Name of Directors	Total Amount
- Fee for attending Board/Committee Meetings	-	-
- Commission	-	-
- Others	-	-
Total (B)(2)	-	-
Total (B) = (B)(1) + (B)(2)		5.22

Note: Remuneration paid to the directors/manager is well within the limit prescribed in the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**(Rs. in Lacs)**

S. No.	Particulars of Remuneration	Sh. Rajesh K Kapila (Company Secretary)	Sh. Kulvinder S Dhiman (CFO)	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	21.47	9.97	31.44
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.74	0.10	0.84
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option*	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5	Others	-	-	-
	Total (C)	22.21	10.07	32.28

* Excludes stock options from Holding Company - Mahindra & Mahindra Ltd.

VII. Penalties / Punishment / Compounding of Offences

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2015.

ANNEXURE C TO DIRECTORS' REPORT

Particulars as per the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015

A. CONSERVATION OF ENERGY:

(a) Steps taken for conservation of energy:

Some of the initiatives taken by the Company during the year for conservation of energy are given below:

1. Optimization of heating load in Pre-treatment tanks by replacing high KW ordinary heaters with lower KW radiant immersion heaters.
2. Installation of timers on motors used in Powder Coating Booth to avoid idle running of motors.
3. Installation of electrostatic guns and improvement in carrying capacity of hangers used in agri implements Paint Shop to improve its overall efficiency.
4. Installation of lower MT hydraulic pneumatic presses in Adjuster Shop.
5. Light points at Shop Floor area connected to lower KVA auto start Gen Set to avoid running of higher KVA Gen Set.
6. Replacement of high Watt mercury vapour lamps with low Watt CFLs.

(b) Steps taken by the company for utilising alternate sources of energy: The Company is exploring potential of using alternate source of energy which may be considered for implementation in future.

(c) Capital investments on energy conservation equipments: Nil

Total annual estimated savings for the year - Rs.9.00 lacs

B. TECHNOLOGY ABSORPTION:**Research & Development:**

1. Areas in which Research & Development is carried out: Seats & seat mechanisms and agri implements.

Benefits derived as a result of the above efforts: Improvement in the business.

2. Future plan of action: Continuous focus on seats & seat mechanisms and agri implements.

3. Expenditure on R&D: The Company spent revenue expenditure of Rs.1.15 lacs on Research & Development work during the year, which was 0.01% of the total turnover.

Technology absorption, adaptation and innovation:

On-going programmes on product improvement for performance, reliability and upgradation of products with customer as focus continued with vigour.

No technology has been imported during the last 3 years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, there were no exports. Foreign Exchange Outgo is contained in Note No. 2.32 of Notes on Accounts.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 27th April, 2015

HARDEEP SINGH
Chairman

BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs. in Lacs)

Particulars	Note	2015	2014
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	239.77	239.77
Reserves & Surplus	2.2	<u>2277.03</u>	<u>2193.57</u>
		2516.80	2433.34
Non-Current Liabilities			
Other Long-term Liabilities	2.3	7.65	11.35
Long-term Provisions	2.4	<u>288.00</u>	<u>272.10</u>
		295.65	283.45
Current Liabilities			
Trade Payables	2.5	1969.08	1991.51
Other Current Liabilities	2.6	49.94	30.16
Short-term Provisions	2.7	<u>259.68</u>	<u>235.01</u>
TOTAL		<u>5091.15</u>	<u>4973.47</u>
ASSETS			
Non-Current Assets			
Fixed Assets	2.8		
– Tangible Assets		930.82	1012.06
– Intangible Assets		0.08	0.36
– Capital Work-in-progress		51.82	34.21
– Capital Spares		0.89	1.12
Deferred Tax Assets (Net)	2.9	115.53	68.77
Long-term Loans & Advances	2.10	<u>27.08</u>	<u>27.76</u>
		1126.22	1144.28
Current Assets			
Inventories	2.11	582.34	431.83
Trade Receivables	2.12	2007.96	2116.08
Cash & Cash Equivalents	2.13	766.13	812.09
Short-term Loans & Advances	2.14	576.43	434.19
Other Current Assets	2.15	<u>32.07</u>	<u>35.00</u>
TOTAL		<u>5091.15</u>	<u>4973.47</u>
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date attached

The Notes referred to above form an integral part of these financial statements.

For J. S. CHOPRA & ASSOCIATES
Chartered Accountants (FRN008849N)

FOR AND ON BEHALF OF THE BOARD

J.S. CHOPRA
Partner
Membership No. 087476

RAJESH K. KAPILA
Company Secretary

HARDEEP SINGH
Chairman

KULVINDER S. DHIMAN
Manager - Finance

RAJESH JEJURIKAR
Director

Chandigarh, 27th April, 2015

Mumbai, 27th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015 (Rs. in Lacs)

Particulars	Note	2015	2014
Revenue from Operations (Gross)	2.16	10363.54	9088.52
Less : Excise Duty		<u>980.62</u>	<u>1024.97</u>
Net Revenue from Operations		9382.92	8063.55
Other Income	2.17	77.69	62.52
Total Revenue		<u>9460.61</u>	<u>8126.07</u>
Expenses			
Cost of Materials Consumed	2.18	7007.76	5800.37
Changes in Inventories of Finished Goods and Work-in-Progress	2.19	(105.44)	(28.72)
Employee Benefits Expense	2.20	1497.75	1317.84
Finance Costs	2.21	1.45	2.47
Depreciation & Amortization Expense	2.8	96.10	105.86
Other Expenses	2.22	609.25	573.81
Total Expenses		<u>9106.87</u>	<u>7771.63</u>
Profit for the year		353.74	354.44
Prior period adjustments		(+) 3.27	(+) 0.93
Profit Before Exceptional and Extraordinary items and Tax		357.01	355.37
Exceptional and Extraordinary items		–	–
Profit Before Tax		357.01	355.37
Tax Expense			
– Current Tax	135.13		115.04
– Deferred Tax (Net)	(19.45)		(1.20)
– Short Tax provision of earlier year	–	115.68	<u>6.68</u>
Profit After Tax		241.33	234.85
Earning per Equity Share	2.28		
Basic / Diluted Earning Per Share (Rs.)		10.07	9.79
Significant Accounting Policies	1		
Notes on Accounts	2		

As per our report of even date attached

For J. S. CHOPRA & ASSOCIATES
Chartered Accountants (FRN008849N)

J.S. CHOPRA
Partner
Membership No. 087476

Chandigarh, 27th April, 2015

RAJESH K. KAPILA
Company Secretary

KULVINDER S. DHIMAN
Manager - Finance

The Notes referred to above form an integral part of these financial statements.

FOR AND ON BEHALF OF THE BOARD

HARDEEP SINGH
Chairman

RAJESH JEJURIKAR
Director

Mumbai, 27th April, 2015

1. SIGNIFICANT ACCOUNTING POLICIES**1.1 BASIS OF ACCOUNTING**

The financial statements are prepared in accordance with historical cost convention and on accrual basis, and as per applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 REVENUE RECOGNITION

- i) Sales are recognised at the time of despatches to customers or their respective transporters for onward despatches to customers. Impact of variation in selling price with respect to despatched goods are recognised as and when confirmed. Sales include excise duty, wherever applicable. Sales are recorded net of Trade Discounts, Rebates & Sales Tax. In respect of Toolings developed for the customers to be used for the production of components, sale is recognised on completion of such Toolings.
- ii) Incomes from services rendered are booked based on agreements / arrangements with the concerned parties.

1.4 PROVISIONS & CONTINGENT LIABILITIES

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised in the financial statements but disclosed in the Notes.

1.5 FIXED ASSETS / DEPRECIATION

- i) Fixed Assets are stated at cost less accumulated depreciation. Depreciation is provided on a Straight-Line Method based on useful life basis as specified and in the manner prescribed in Schedule II to the Companies Act, 2013, except for the fixed assets mentioned in para (ii) to (v) below. Cost is inclusive of Freight, Duties, Levies and any other directly attributable cost of bringing the assets to their working condition for intended use.
- ii) Depreciation on dies manufactured by the Company is charged @ 20%. Depreciation on vehicles (cars) is charged @ 25%.
- iii) Intangible Assets (Others than Software) are stated at cost less accumulated amortisation. These are amortised over a period of 6 years, which is the estimated useful life of the asset.

Software expenditure capitalised during the year is amortised over 3 years from the date of its capitalization.

- iv) Capital spares are amortised in a systematic manner over the useful life of the assets to which it relates.
- v) Assets individually costing up to Rs.5000/- are depreciated at 100% within one year from the date of purchase.
- vi) Capital Work in progress includes cost of assets not ready for intended use before the year end.

1.6 INVENTORIES

- i) Stores, Spare Parts, Loose Tools, Raw Materials, Components and Packing Materials are valued at material cost determined on the basis of moving weighted average cost method with due provisioning for non useable / obsolete items and impact of provisioning for price variation, if any.
- ii) Work-in-progress and Finished goods are valued at lower of cost or net realisable value as certified by Management. Cost includes material cost and an appropriate portion of manufacturing overheads, wherever applicable, incurred in bringing them to their present location and condition. Finished goods include excise duty, wherever applicable.
- iii) Scrap / damaged goods value is incorporated in books on the basis of expected realisable value.

1.7 EMPLOYEE BENEFITS

- i) Defined contribution plans

The Company's contribution to Provident Fund is considered as defined contribution plan and is charged as an expense to the Statement of Profit and Loss for the year when the contributions are due. The Company contributes to Life Insurance Corporation of India to cover its liability towards its master policies of employees' superannuation and gratuity. Payment of gratuity at the time of retirement is routed through the trust created by the company.

- ii) Defined benefit plans

The company operates a defined benefit plan for its employees in the form of gratuity fund. The cost of providing benefit under the plan is determined on the basis of actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses for defined benefit plan are recognized in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation.

- iii) Short term employee benefits

All employee benefits payable within twelve months of receiving the employee services are classified as Short-term employee benefits and benefits payable after twelve months of receiving the employee services are classified as Long-term employee benefits.

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees is recognized during the period when the employee renders services. These benefits include salaries, bonus, leave travel allowance and performance incentives.

The employees of the Company are entitled to compensated absences. The Company has a policy for leave encashment, whereby the balance of leave is either availed or encashed in the following year, and hence the same is classified as short term. The short term leave encashment liability has been measured based on the actual leave balance outstanding at the year end.

1.8 RESEARCH & DEVELOPMENT

Expenditure on Research and Development has been classified into Revenue and CWIP/Assets, and accordingly charged to Statement of Profit & Loss and depicted in Balance Sheet.

1.9 TAXATION

- i) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act 1961. Advance tax and provision for current tax are presented in the balance sheet after off-setting advance tax paid and income tax provisions.
- ii) Deferred Tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax charge or credit is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred Tax liabilities are recognised for all timing differences.

Deferred Tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual certainty of that there will be sufficient future taxable income available to realise such assets.

Deferred Tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

Deferred Tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred Tax Assets are reviewed at each balance sheet date for their realisability.

1.10 GRANTS-IN-AID

Capital grants received in previous years are allocated to income over the periods and in proportions in which the depreciation on those assets is charged.

1.11 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at exchange rates prevailing at the date of transaction. Exchange differences, if any, arising on settlement of transactions except those relating to fixed assets are recognized as income or expense in the year in which they arise. In case of fixed assets, the cost is adjusted for exchange differences arising on payment of liabilities incurred for the purpose of acquiring such fixed assets.

1.12 PRODUCT WARRANTY

In respect of warranty given by the Company on sale of agricultural implements - Rice Transplanter and Rotavator, the estimated costs of this warranty are accrued at the time of sale. The estimates for accounting of warranty are reviewed and revisions are made as required.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

2.1 SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Authorised		
Equity Shares, Rs.10/- par value		
30,00,000 (2014 - 30,00,000) Equity Shares	300.00	300.00
Redeemable Cumulative Preference Shares, Rs.100/- par value		
50,000 (2014 - 50,000) Redeemable Cumulative Preference Shares	<u>50.00</u>	<u>50.00</u>
	350.00	350.00
Issued, Subscribed & Paid-up		
Equity Shares, Rs.10/- par value		
23,97,713 (2014 - 23,97,713) Equity Shares fully paid-up	<u>239.77</u>	<u>239.77</u>
	239.77	239.77

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs.10/-. Each Equity Shareholder is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. The Board of Directors, in their meeting held on 27th April, 2015 proposed a dividend of Rs.3.50 per equity share. Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The total dividend appropriation for the year ended 31st March, 2015 amounted to Rs.101.00 lacs including corporate dividend tax of Rs.17.08 lacs (2014 - Rs.98.18 lacs including corporate dividend tax of Rs.14.26 lacs).

Equity Shares held by Holding Company on 31-03-2015 :

– Name of Holding Company	Mahindra & Mahindra Limited
– Shares Held	17,06,925 (71.19%)

Equity Shareholders holding more than 5% shares :

Name	31.03.2015		31.03.2014	
	No. of Shares Held	% of Shareholding	No. of Shares Held	% of Shareholding
Mahindra & Mahindra Limited	1,706,925	71.19%	1,706,925	71.19%
CDC-PTL Holdings Limited	204,132	8.51%	204,132	8.51%

Reconciliation of number of Equity Shares outstanding and the amount of Share Capital :

	31.03.2015		31.03.2014	
	No. of Shares	Share Capital (Rs. in Lacs)	No. of Shares	Share Capital (Rs. in Lacs)
Number of equity shares at the beginning	2,397,713	239.77	2,397,713	239.77
Movement in equity shares during the year	–	–	–	–
Number of equity shares at the closing	2,397,713	239.77	2,397,713	239.77

In the last 5 years, the Company has not :

- allotted any shares as fully paid up pursuant to contract(s) without being received in cash,
- allotted any bonus shares,
- bought back its shares.

SWARAJ AUTOMOTIVES LIMITED**2.2 RESERVES AND SURPLUS****(Rs. in Lacs)**

Particulars	As at 31st March			
		2015		2014
General Reserve - Opening Balance	1722.24		1672.24	
Add : Transfer from Surplus	50.00	1772.24	50.00	1722.24
Surplus - Opening Balance	471.33		384.66	
Less : Adjustment for carrying value of Assets (Refer Note 2.36)	56.87		–	
	414.46		384.66	
Add : Profit for the Year	241.33		234.85	
	655.79		619.51	
Less : Appropriations				
Proposed Dividend	83.92		83.92	
Tax on Proposed Dividend	17.08		14.26	
Transfer to General Reserve	50.00	504.79	50.00	471.33
		2277.03		2193.57

2.3 OTHER LONG TERM LIABILITIES**(Rs. in Lacs)**

Particulars	As at 31st March			
		2015		2014
Grants-in-Aid (Refer Note 1.10)				
Capital Grant				
Opening Balance	11.34		15.04	
Less : Depreciation	3.70	7.64	3.70	11.34
Deposits & Earnest Money		0.01		0.01
		7.65		11.35

Capital Grant represents the un-appropriated portion of grant-in-aid received in kind, in 1997-98, from United Nations Office for Project Services for implementation of United Nations Development Programme Montreal Protocol for phasing out of CFC's in the manufacture of cold cured PU Foam.

The un-appropriated portion of grant-in-aid in previous year was as per terms and conditions of agreement between Government of India and UNDP dated 06.01.1997.

2.4 LONG TERM PROVISIONS**(Rs. in Lacs)**

Particulars	As at 31st March	
	2015	2014
Provision for Employee Benefits (Refer Note 1.7)		
– Provision for Gratuity (Refer Note 2.33)	199.79	189.80
– Provision for Leave Encashment	88.21	82.30
	288.00	272.10

2.5 TRADE PAYABLES (Refer Note 2.34)

(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Trade Payables - Micro & Small Enterprises	157.56	90.85
Trade Payables - Other than Micro & Small Enterprises	1661.11	1776.11
Accruals	150.41	124.55
	<u>1969.08</u>	<u>1991.51</u>

2.6 OTHER CURRENT LIABILITIES

(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Grants-in-Aid (Refer Note 1.10 & 2.3)		
– Capital Grant	3.70	3.70
Deposits & Earnest Money	1.00	1.18
Advances from Customers	12.12	0.65
Unpaid / Unclaimed Dividend *	3.74	3.02
Other Liabilities		
– Statutory Dues Payable	29.38	21.61
	<u>49.94</u>	<u>30.16</u>

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2015.

2.7 SHORT-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Provision for Employee Benefits (Refer Note 1.7)		
– Provision for Gratuity (Refer Note 2.33)	60.65	59.41
– Provision for Leave Encashment	91.17	76.35
	<u>151.82</u>	<u>135.76</u>
Others		
– Proposed Dividend	83.92	83.92
– Tax on Proposed Dividend	17.08	14.26
– Provision for Warranty	5.25	1.07
– Income Tax (net of provisions) (Refer Note 1.9)	1.61	–
	<u>107.86</u>	<u>99.25</u>
	<u>259.68</u>	<u>235.01</u>

2.8 FIXED ASSETS
(Rs. in Lacs)

(Refer Note 1.5)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	Cost as at 01.04.2014	Additions during the year	Sale/ Adjust- ments during the year	Cost as at 31.03.2015	As at 01.04.2014	Provided during the year	Disposal/ Adjust- ments* during the year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
A) TANGIBLE ASSETS										
Land - Freehold	451.81	-	-	451.81	-	-	-	-	451.81	451.81
Buildings	415.86	-	-	415.86	248.45	8.19	20.74	277.38	138.48	167.41
Plant & Machinery	990.50	65.25	(5.10)	1050.65	688.99	56.19	38.75	783.93	266.72	301.51
Electrical Installations	123.96	3.00	-	126.96	96.07	1.59	11.32	108.98	17.98	27.89
Furniture & Fixtures	11.06	6.05	-	17.11	9.07	1.63	-	10.70	6.41	1.99
Office Equipments	118.57	20.23	(5.03)	133.77	86.85	14.39	6.45	107.69	26.08	31.72
Vehicles	124.03	8.61	(11.05)	121.59	94.30	13.55	(9.60)	98.25	23.34	29.73
TOTAL (A)	2235.79	103.14	(21.18)	2317.75	1223.73	95.54	67.66	1386.93	930.82	1012.06
B) INTANGIBLE ASSETS										
Software	26.42	-	5.03	31.45	26.06	0.56	4.75	31.37	0.08	0.36
TOTAL (B)	26.42	-	5.03	31.45	26.06	0.56	4.75	31.37	0.08	0.36
GRAND TOTAL (A+B)	2262.21	103.14	(16.15)	2349.20	1249.79	96.10	72.41	1418.30	930.90	1012.42
Previous Year	2117.32	160.08	(15.19)	2262.21	1152.79	105.86	(8.86)	1249.79	1012.42	964.53
Capital Work-in-progress									51.82	34.21
Capital Spares									0.89	1.12

* In line with Schedule II of the Companies Act, 2013, adjustments include Rs 84.18 lacs being the carrying value of assets having Nil revised remaining useful life as on 1st April, 2014.

Depreciation for the year on Motor vehicles, Air Conditioners and Coolers, Office Equipment and certain Plant & Machinery costing Rs.389.36 lacs (2014 - Rs.348.78 lacs) has not been charged since 95% of its original cost has already been charged to depreciation.

2.9 DEFERRED TAX

(Refer Note No. 1.9)

(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Deferred Tax Liabilities		
– Difference between book & tax depreciation	71.86	78.14
Deferred Tax Assets		
– Provision for Employees Cost	(146.15)	(135.56)
– Others (Refer Note 2.36)	(41.24)	(11.35)
Deferred Tax Liabilities / (Assets)	(115.53)	(68.77)

Pursuant to Accounting Standard 22 – Accounting for taxes on income, the Company estimates deferred tax liability / (asset) using the applicable rate of taxation based on the impact of timing differences between financial statements and taxable income for the current year.

2.10 LONG-TERM LOANS & ADVANCES

(Unsecured-considered good unless otherwise stated)

(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Capital Advances	3.47	6.94
Security Deposits		
– Considered Doubtful	–	1.94
Less : Provision for doubtful security deposits	–	–
– Others	20.11	16.54
Prepaid Expenses	3.50	4.28
	27.08	27.76

2.11 INVENTORIES

(Refer Note 1.6)

(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Raw Materials & Components	286.91	241.00
Work-in-Progress	110.91	123.53
Finished Goods	149.67	31.61
Stores and Spares	24.56	24.86
Loose Tools	10.29	10.83
	582.34	431.83

Inventory as at 31st March, 2015 has been physically verified and certified by the Management.

2.12 TRADE RECEIVABLES
(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Debts outstanding from the date they are due for payment		
Unsecured		
For more than six months		
– Considered Doubtful	37.09	32.45
Less : Provision for doubtful debts	<u>37.09</u>	<u>32.45</u>
– Considered good	<u>101.01</u>	<u>140.66</u>
Unsecured		
For less than six months		
– Considered good *	<u>1906.95</u>	<u>1975.42</u>
	<u>2007.96</u>	<u>2116.08</u>

* Include dues from Holding Company & Associate Companies amounting to Rs.803.27 lacs (2014 - Rs.737.06 lacs) (Refer Note 2.27).

Provision for doubtful debts - as at 31st March, 2015 :

The Company periodically evaluates Trade Receivables due from its customer for their recoverability. Provision for Doubtful Debts is assessed on the basis of various factors like ability of the customer to pay and risk perception of the industry, etc. Provision for doubtful debts, at the Balance Sheet date, normally pertains to debt or dues outstanding for six months or longer from the invoice date.

2.13 CASH & CASH EQUIVALENTS
(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Cash on hand	0.65	1.44
Balances with Banks		
– In Current Accounts	146.91	243.98
Balance with Banks held as Margin Money and		
Deposit against Guarantees	12.90	24.43
Other Bank Balances		
– Deposit Account with more than 12 months maturities	260.58	401.00
– Deposit Account with less than 12 months maturities	<u>341.35</u>	<u>138.22</u>
Unpaid/Unclaimed Dividend Accounts	<u>3.74</u>	<u>3.02</u>
	<u>766.13</u>	<u>812.09</u>

Cash and cash equivalents comprise cash balances on hand, bank balance and term deposits with banks.

Deposits are with State Bank of Patiala and Axis Bank, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Cash and cash equivalents as of 31st March, 2015 include restricted cash and bank balances of Rs.16.64 lacs (2014 - Rs.27.45 lacs). The restrictions are primarily on account of cash and bank balances held as margin money and deposits against guarantees and unpaid / unclaimed dividends.

2.14 SHORT-TERM LOANS & ADVANCES
(Unsecured-considered good unless otherwise stated)
(Rs. in Lacs)

Particulars	As at 31st March	
	2015	2014
Deposit with Excise & Taxation Authorities	28.64	29.65
Insurance Claim recoverable	0.23	1.36
Prepaid Expenses	7.28	8.27
Advances to Suppliers	10.96	21.41
Advances to Employees	1.99	1.70
Balance with Excise Authorities	19.31	20.94
Security Deposits	9.70	11.70
Value Added Tax Recoverable	482.26	338.97
Income Tax (net of provisions) (Refer Note 1.9)	–	0.19
Others	<u>16.06</u>	<u>–</u>
	<u>576.43</u>	<u>434.19</u>

2.15 OTHER CURRENT ASSETS

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2015	2014
Interest Accrued on Fixed Deposits	32.07	35.00
	<u>32.07</u>	<u>35.00</u>

2.16 REVENUE FROM OPERATIONS

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2015	2014
Sale of Products (Refer Note 2.31 A)	10275.61	9009.16
Other Operating Revenues		
– Sale of Scrap	87.93	79.36
	<u>10363.54</u>	<u>9088.52</u>

2.17 OTHER INCOME

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2015	2014
Interest Income	60.84	52.33
Profit on Sale of Fixed Assets	1.25	2.69
Miscellaneous Income	15.60	7.50
	<u>77.69</u>	<u>62.52</u>

2.18 COST OF MATERIALS CONSUMED

(Refer Note 2.31 B)

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2015	2014
Opening Stock	251.83	276.77
Add : Purchases	6943.75	5686.27
Job Charges	109.38	89.16
	<u>7304.96</u>	<u>6052.20</u>
Less : Closing Stock	297.20	251.83
	<u>7007.76</u>	<u>5800.37</u>

2.19 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2015	2014
Opening Stock	155.14	126.42
Less : Closing Stock	260.58	155.14
	<u>(105.44)</u>	<u>(28.72)</u>

SWARAJ AUTOMOTIVES LIMITED**2.20 EMPLOYEE BENEFIT EXPENSE****(Rs. in Lacs)**

Particulars	Year ended 31st March	
	2015	2014
Salaries & Wages	1209.09	1066.81
Contribution to Provident & Other Funds	71.26	61.35
Gratuity & Superannuation (Refer Note 1.7)	63.45	35.73
Workmen & Staff Welfare	153.95	153.95
	<u>1497.75</u>	<u>1317.84</u>

2.21 FINANCE COSTS**(Rs. in Lacs)**

Particulars	Year ended 31st March	
	2015	2014
Bank Charges	1.02	0.04
Other Interest Cost	0.43	2.43
	<u>1.45</u>	<u>2.47</u>

2.22 OTHER EXPENSES**(Rs. in Lacs)**

Particulars	Year ended 31st March	
	2015	2014
Power, Fuel & Water Charges	188.87	170.96
Consumption of Stores & Spares	37.26	34.62
Rent	2.80	4.68
Rates and Taxes	7.48	2.94
Insurance	4.29	3.39
Repairs and Maintenance		
– Buildings	3.40	3.80
– Machinery	37.42	34.75
– Others	33.46	26.25
Postage & Telephone	3.98	3.66
Printing & Stationery	9.46	8.30
Legal and Professional Charges	10.99	2.99
Advertisement	8.10	5.06
Freight Outward	160.63	168.56
Sales Promotion Expenses	5.40	5.44
Travelling & Conveyance Expenses	48.07	45.92
Provision for Bad & Doubtful Debts	6.10	24.20
Auditors' Remuneration		
– Statutory Audit Fees	1.20	0.90
– Other Services	0.75	0.77
– Reimbursement of Expenses	0.61	0.73
Tax Auditors' Fees	0.25	0.20
Cost Auditors' Fees	-	0.30
Directors' Sitting Fees	2.60	0.50
Design & Development Expenses	1.15	0.46
Warranty Claims	17.22	4.00
Miscellaneous Expenses	17.76	20.43
	<u>609.25</u>	<u>573.81</u>

2.23 The Company is having Nil outstanding as on 31st March, 2015 (2014 - Nil) against Cash Credit limit from State Bank of Patiala, secured by pari-passu first charge over stocks in trade, stores, spares and book debts and additional charge over the fixed assets of the Company.

2.24 CONTINGENT LIABILITIES & COMMITMENTS

(Not provided for in Accounts as certified by the Management)

Contingent Liabilities

Particulars	As at 31st March	
	2015 (Rs. in Lacs)	2014 (Rs. in Lacs)
Claims against the Company, not acknowledged as debts.		
i) Telephone & Telex (Disputed Amount)	1.47	1.47
ii) Employees / Workers dispute	8.00	8.00
iii) Excise / Service Tax / Sales Tax demand (pending in appeal)	10.12	124.55*
Counter guarantees to bank	-	11.54

*Includes Rs.99.04 lacs against demand order raised by Sales Tax Authorities on account of short submission of C Forms related to assessment of FY 2009-10. Against the said Order, the Company has filed an appeal before the Appellate Authority after depositing Rs.24.76 lacs being 25% of demand raised for considering all the balance C Forms available for re-assessment.

Commitments

Particulars	As at 31st March	
	2015 (Rs. in Lacs)	2014 (Rs. in Lacs)
Estimated amount of contracts remaining to be executed on capital account (net of advances)	22.54	86.79

2.25 CURRENT ASSETS

Parties' accounts are subject to reconciliation and confirmation by them.

2.26 As the Company's principal business activity fall within a single primary business segment, viz. "Automobile Components", the disclosure requirements of Accounting Standard - 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

2.27 In accordance with Accounting Standard -18, the related party disclosures for the year ended 31st March, 2015 are as follows :

i) Holding Company	Mahindra & Mahindra Limited
ii) Associate Company	Swaraj Engines Limited*
iii) Fellow Subsidiary	Mahindra Engineering Services Limited**
iv) Key Management Personnel	Shri Arun Arora

v) Transactions with related parties :		(Rs. in Lacs)		
		Holding Company	Associate Company	Fellow Subsidiary
a)	Sale of finished goods	4755.58	–	–
		(3795.54)	(542.83)	(–)
	Mahindra & Mahindra Limited	4755.58	–	–
		(3795.54)	(–)	(–)
	Swaraj Engines Limited	–	–	–
		(–)	(542.83)	(–)
b)	Reimbursement in respect of services received	91.90	–	30.28
		(86.44)	(10.43)	(–)
	Mahindra & Mahindra Limited	91.90	–	–
		(86.44)	(–)	(–)
	Swaraj Engines Limited	–	–	–
		(–)	(10.43)	(–)
	Mahindra Engineering Services Limited	–	–	30.28
		(–)	(–)	(–)
c)	Reimbursement in respect of services rendered	102.51	–	–
		(10.25)	(–)	(–)
	Mahindra & Mahindra Limited	102.51	–	–
		(10.25)	(–)	(–)
d)	Inter-Corporate Deposit paid	–	–	–
		(–)	(–)	(–)
e)	Interest paid	–	–	–
		(–)	(–)	(–)
f)	Dividend Paid	59.74	–	–
		(51.21)	(–)	(–)
	Mahindra & Mahindra Limited	59.74	–	–
		(51.21)	(–)	(–)
	Aggregate balances outstanding as at the year end			
–	Receivables	803.27	–	–
		(656.30)	(80.76)	(–)
–	Payables	2.56	–	–
		(–)	(–)	(–)

Previous year's figures are given in brackets.

*Ceased to be Associate Company w.e.f. 01.04.2014.

** Ceased to be Fellow Subsidiary w.e.f. 08.12.2014 consequent to the merger of Mahindra Engineering Services Limited into Tech Mahindra Limited.

2.28 EARNING PER SHARE (EPS)

Particulars	Year ended 31st March	
	2015	2014
Profit attributable to equity shareholder (Rs. in lacs)	241.33	234.85
Basic/Weighted average number of equity shares	23,97,713	23,97,713
Basic / Diluted Earning Per Share	Rs.10.07	Rs.9.79
(Face Value Rs.10/- per share)		

2.29 Miscellaneous income under Other Income includes a sum of Rs.3.70 lacs (2014 - Rs.3.70 lacs) being the depreciation on Plant & Machinery received as Capital Grant in aid which is adjusted against the grant received.

2.30 Trade Receivables includes debts aggregating to Rs.37.09 lacs, which may be doubtful of recovery. Adequate provisions for doubtful balances have been made in financial statements. Out of provision for doubtful debts / security deposits made in earlier years, Rs.3.40 lacs (2014 - Rs.53.81 lacs) has been written off during the year.

2.31 Information with regard to Production, Sales & Stocks, as certified by the management.

A. Production, Sales & Stock of Finished Goods

Particulars	Unit	Year ended 31st March	
		2015	2014
i) Seats for Light Commercial Vehicles			
Opening stock	Sets	168	9
Production	"	8371	7156
Sales	"	8357	6997
Closing stock	"	182	168
ii) Seats Others			
Opening stock	Nos.	288	392
Production	"	127102	136356
Sales	"	126825	136460
Closing stock	"	565	288
iii) Seat Components			
Opening stock	Nos.	5109	4826
Production	"	2170967	2310372
Sales	"	2170536	2310089
Closing stock	"	5540	5109
iv) Agricultural Implements			
Opening stock	Nos.	-	-
Production	"	2258	267
Sales	"	2101	267
Closing stock	"	157	-
v) Sales of Products (including Excise Duty)			
		2015	2014
		(Rs. in Lacs)	(Rs. in Lacs)
Seat Components		4665.06	4169.11
Seats of Light Commercial Vehicles		550.34	468.40
Tools, Dies & Fine Blanking Components		-	106.31
Exhaust Brake & Cover Service Hole		22.12	23.37
Tractor Parts		3627.79	4014.30
Combine Parts		-	0.17
Agricultural Implements		1410.30	227.50
		10275.61	9009.16

B (a) Consumption of Raw Materials & Components

Particulars	Unit	Year ended 31st March			
		2015		2014	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs
PU Foam Material	MT	160.99	276.74	174.95	288.14
CRCA Sheet & Steel Sheet	MT	759.10	446.41	1511.01	845.44
Paints & Chemicals	MT	118.42	183.01	119.94	184.02
Trim Comp., Frames & Silencer etc.	Nos. (in lacs)	5.96	450.01	6.36	481.76
Stopper, B. Plates, Arm Plate, H Plate	"	50.34	492.04	50.21	551.09
Guide Block, Sect-disc Lever etc.	"	67.86	621.28	61.28	506.33
Upper Rail, Lower Rail, Pawl Lock etc.	"	25.08	466.39	20.72	344.67
Tractor Seat Parts	—		1440.62		1280.12
Agricultural Implement Parts	—		1478.06		265.35
Packing Materials	—		158.44		88.54
Job Work Charges	—		109.38		89.16
Others	—		885.38		875.75
			<u>7007.76</u>		<u>5800.37</u>

Notes:

- i) It is not possible to furnish quantitative information of all the components in view of large number of items varied in size and nature.
- ii) Quantities and values of all items in Analysis of Raw Materials consumed represent the issues from stores made during the year. The figure of others is a balancing figure, based on total consumption shown in Note 2.18 and includes adjustments for excess / shortage found on physical verification.

(b) Value of imported and indigenous Raw Materials & Components, Stores and Spares etc. consumed & percentage of each to total consumption

Particulars	Year ended 31st March			
	2015		2014	
	%age	Rs. in Lacs	%age	Rs. in Lacs
a) Raw material & Components				
i) Imported	0.49	34.58	—	—
ii) Indigenous	99.51	6973.18	100.00	5800.37
	<u>100.00</u>	<u>7007.76</u>	<u>100.00</u>	<u>5800.37</u>
b) Stores & Spares				
i) Imported	—	—	—	—
ii) Indigenous	100.00	37.26	100.00	34.62
	<u>100.00</u>	<u>37.26</u>	<u>100.00</u>	<u>34.62</u>

2.32 Value of Import on CIF Basis

Particulars	Year ended 31st March	
	2015 (Rs. in Lacs)	2014 (Rs. in Lacs)
Raw Materials & Components	37.38	—
Stores & Spares	—	—
	37.38	—

2.33 Employee Defined Benefits:

Defined benefit plans - as per Actuarial Valuation

	Gratuity Plan	
	2015 (Rs. in Lacs)	2014 (Rs. in Lacs)
I. Expenses Recognised in the Statement of Profit & Loss Account		
1. Current Service Cost	21.16	20.11
2. Interest	35.28	40.15
3. Expected Return on plan assets	(19.67)	(18.98)
4. Actuarial (Gain) / Loss	23.49	(8.65)
5. Total Expense	60.26	32.63
II. Net Asset / (Liability) recognised in the Balance Sheet		
1. Present value of Defined Benefit Obligation	500.18	476.57
2. Fair Value of plan assets	239.73	227.36
3. Funded Status [Surplus / (Deficit)]	(260.45)	(249.21)
4. Net Asset / (Liability)	(260.45)	(249.21)
III. Change in the obligation during the year		
1. Present value of Defined Benefit Obligation as at beginning of the year	476.57	454.61
2. Current service cost	21.16	20.11
3. Interest Cost	35.28	40.15
4. Benefit payments	(54.21)	(31.63)
5. Actuarial (Gain) / Loss	21.38	(6.66)
6. Present value of Defined benefit Obligation as at end of the year	500.18	476.57
IV. Change in the Fair Value of Assets		
1. Fair Value of plan assets at the beginning of the year	227.36	193.14
2. Expected return on plan assets	19.67	18.98
3. Contribution by employer	49.02	44.88
4. Actual benefits paid	(54.21)	(31.63)
5. Actuarial Gain / (Loss) on Plan assets	(2.11)	1.99
6. Fair value of plan assets at the end of the year	239.73	227.36
7. Actual return on plan assets	17.56	20.97
V. The major categories of plan assets as a percentage of total plan		
Funded with LIC	100%	100%

VI. Actuarial Assumptions	2015	2014
1. Imputed Rate	7.85%	9.15%
2. Expected rate of return on plan assets	8.75%	9.50%
3. In-service Mortality	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate
4. Turnover Rate	5.00%	5.00%
5. Salary Rise - Officers/workers	8% / 6%	10% / 7.5%
6. Remaining Working life	13.95 Yrs	14.28 Yrs

2.34 Micro, Small & Medium Enterprises have been identified by the Company on the basis of information available. Total Outstanding dues of Micro & small enterprises, which are outstanding for more than stipulated period, are given below :-

S.No. Particulars	2015	(Rs. in Lacs) 2014
(a) Dues remaining unpaid as at 31st March		
– Principal	–	–
– Interest on above	–	–
(b) Interest paid in terms of section 16 of the act along with the amount of payments made to the supplier beyond the appointed date during the year		
– Principal paid beyond the appointed date	222.38	36.95
– Interest paid in terms of section 16 of the act	0.08	0.09
(c) Amount of interest due and payable for the period of delay in payments made beyond the appointed date during the year	0.68	–
(d) Further interest due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the small enterprises	–	–
(e) Amount of interest accrued and remaining unpaid as at 31st March	0.68	–

2.35 Prior period adjustments includes income / expenses pertaining to earlier years amounting to Rs.3.27 lacs (2014 - Rs.0.93 lacs).

2.36 In compliance with the provisions of the Companies Act, 2013 ('the Act'), the Company has reworked the depreciation with reference to estimated economic useful life of Fixed Assets prescribed by Schedule II of the Act except for Dies and Vehicles (Motor Car), where lower useful life has been considered in line with the existing practice.

Due to revision in estimated economic useful life, the charge for depreciation is lower by Rs.1.82 lacs for the year ended 31st March 2015. Further, Rs.56.87 lacs (net of tax) has been adjusted to Surplus (Retained Earnings - opening balance as on 1st April, 2014), being the carrying value of assets having Nil revised remaining useful life as on 1st April, 2014. Tax impact on the same, Rs.27.31 lacs has been adjusted in the Deferred Tax Assets.

2.37 Research & Development Expenditure

Particulars	Year ended 31st March	
	2015	2014
	(Rs. in Lacs)	(Rs. in Lacs)
a. Revenue Expenditure (Charged to Statement of Profit and Loss)	1.15	0.46
b. Capital Expenditure (Capitalised under CWIP/Assets)	46.63	5.31
	47.78	5.77

2.38 Previous year figures have been regrouped / recast, wherever necessary, so as to correspond with those of the current year.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Rs. in Lacs)

	2015	2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	357.01	355.37
Adjustments for :		
Depreciation	96.10	105.86
Interest Paid	0.43	2.43
Provision for Earned Leave & Gratuity	31.96	5.05
Provision for Doubtful Debts & Warranty	10.28	25.27
Interest Income	(60.84)	(52.33)
Profit on Sale of Assets	(1.25)	(2.69)
Adjustment in fixed assets	—	(0.22)
Capital grant-in-aid	<u>(3.70)</u>	<u>(3.70)</u>
	<u>72.98</u>	<u>79.67</u>
Operating Profit before Working Capital Changes	429.99	435.04
Adjustments for:		
Trade Receivables	102.02	(440.54)
Inventories	(150.51)	(7.41)
Loans & Advances	(138.82)	(126.75)
Trade Payables	<u>(2.64)</u>	<u>295.79</u>
	<u>(189.95)</u>	<u>(278.91)</u>
Cash Generated From Operations	240.04	156.13
Direct taxes refund/(paid)	<u>(133.33)</u>	<u>(130.26)</u>
Net Cash From Operating Activities	<u>106.71</u>	<u>25.87</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(121.18)	(67.55)
Sale of Fixed Assets	6.28	9.24
Interest received	60.84	52.33
	<u>(54.06)</u>	<u>(5.98)</u>
Net Cash Used in Investing Activities	<u>(54.06)</u>	<u>(5.98)</u>

	2015	2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Corporate Loans	–	–
Dividend paid	(98.18)	(84.15)
Interest Paid	(0.43)	(2.43)
Net Cash Used in Financing Activities	(98.61)	(86.58)
Net Increase/(Decrease) in Cash & Cash Equivalents	(45.96)	(66.69)
Opening Cash & Cash Equivalents (#1)	812.09	878.78
Closing Cash & Cash Equivalents (#2)	766.13	812.09
#1 Cash & Bank Balances	812.09	878.78
Cash Credit Account	–	–
Opening Cash & Cash Equivalents	812.09	878.78
#2 Cash & Bank Balances	766.13	812.09
Cash Credit Account	–	–
Closing Cash & Cash Equivalents	766.13	812.09

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Figures in bracket indicates the cash outgo.
3. Previous year figures have been regrouped wherever found necessary.

As per our report of even date attached

For J. S. CHOPRA & ASSOCIATES
Chartered Accountants (FRN008849N)

J.S. CHOPRA
Partner
Membership No. 087476

RAJESH K. KAPILA
Company Secretary

KULVINDER S. DHIMAN
Manager - Finance

FOR AND ON BEHALF OF THE BOARD

HARDEEP SINGH
Chairman

RAJESH JEJURIKAR
Director

Chandigarh, 27th April, 2015

Mumbai, 27th April, 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARAJ AUTOMOTIVES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Swaraj Automotives Limited ('the Company') which comprise the Balance Sheet as at 31 March 2015, the statement of Profit and Loss and the 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

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2015;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) 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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 applicable Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 ; and
 - e. on the basis of written representations received from the Directors as on 31 March 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2015, from being appointed as a Director in terms of sub section (2) of section 164 of the Companies Act, 2013.
 - f. With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us.
 - 1) The company has disclosed the impact of pending litigation on its financial position in its financial statements,
 - 2) The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses.
 - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company during the year.

For J.S. CHOPRA & ASSOCIATES
Chartered Accountants
(FRN 008849N)

JAGDEEP S. CHOPRA, FCA
Partner
Membership No. 087476

Place : Chandigarh
Dated : 27th April, 2015

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of Swaraj Automotives Limited ('the Company') for the year ended 31 March 2015. We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) According to the information and explanations given to us, the management has a policy of physical verification of fixed assets in a phased manner. Some of these fixed assets have been physically verified by the management during the current year and the discrepancies noticed on comparison between book records and physical inventory were not material and have been properly dealt with in the books of accounts. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets.
2. (a) The inventories have been physical verified by the management during the year and at the year end. In our view, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the records of inventories, we are of the opinion that the Company has maintained proper records of inventories. According to the information and explanations given to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records, and these have been properly dealt with in the books of accounts.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act
4. In our opinion and according to the information and explanations given to us during the course of audit, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have any information of any instances of major weaknesses in the aforesaid internal control system.
5. We have been informed that the Company has not accepted any deposits from the public within the meaning of Sections 73 & 76 of the Act and the rules framed there under.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records as per sub section (1) of section 148 of the Companies Act 2013, in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
7. In respect of statutory dues:
(a) According to information and explanations given to us, and the records of the Company, examined by us, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Value added tax, Cess and any other statutory dues where applicable, have been generally regularly deposited during the year with the appropriate authorities.

According to information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding for a period of more than six months as at 31 March, 2015 from the date they became payable.

- (b) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are reported below. According to the information and explanations given to us, the following dues of Excise Duty have not been deposited by the Company on account of disputes.

S.No.	Name of the Statute	Nature of the dues	Amount of Tax Liability (Rs. Lacs)	Period to which the amount relates	Forum where dispute is Pending
1.	Central Excise	Excise Duty	0.34	2005-06	Appellate Tribunal
2.	Central Excise	Excise Duty	9.78	2005-06 to April 2008	Appellate Tribunal
	Total		10.12		

- (c) As explained to us and as per records shown, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder has been transferred to such fund within time.

8. The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
10. According to information and explanations given to us, the Company has not given any guarantee during the year, for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
11. According to information and explanation given to us, the Company did not have any term loans outstanding during the year.
12. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For J.S. CHOPRA & ASSOCIATES
Chartered Accountants
(FRN 008849N)

JAGDEEP S. CHOPRA, FCA
Partner
Membership No. 087476

Place : Chandigarh
Dated : 27th April, 2015

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of Companies (Management and Administration) Rules, 2014]

SWARAJ AUTOMOTIVES LIMITED

(CIN: L45202PB1974PLC003516)

Regd. Office: Phase IV, Industrial Area, S.A.S.Nagar (Mohali), Punjab-160055

Email: salinvestor@mahindraswaraj.com, Website: www.swarajenterprise.com

Name of the Member (s):

Registered Address:

Email id:

Folio / DP ID-Client ID No:

I/We, being the member(s) of _____ shares of the above named Company hereby appoint :

- (1) Name _____ Address _____
E-mail id _____ Signature _____ or falling him;
- (2) Name _____ Address _____
E-mail id _____ Signature _____ or falling him;
- (3) Name _____ Address _____
E-mail id _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company, to be held on Tuesday, 28th July, 2015 at 3.45 p.m. at Swaraj Engines Limited, Plot No. 2, Industrial Phase IX, S.A.S.Nagar (Mohali), Punjab - 160062 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		Optional*	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the year ended 31st March, 2015, Reports of the Directors and the Auditors thereon		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Shri A.K. Mahajan as Director, who retires by rotation		
4	Appointment of Auditors and fix their remuneration		
Special Business			
5	Approval to the remuneration of Cost Auditors		
6	Approval to the commission payable to Independent Directors		

Signed this _____ day of _____ 2015

Signature of Shareholder _____

Signature of Proxyholder(s) _____

Affix
Revenue
Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 40th Annual General Meeting.
- *3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in the above box before submission.

SWARAJ AUTOMOTIVES LIMITED

(CIN: L45202PB1974PLC003516)

Registered Office :

Phase-IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab-160 055

40th Annual General Meeting - 28th July, 2015

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

NAME OF THE SHAREHOLDER/PROXY
ADDRESS

Folio No.

No. of Shares held :

DP ID*

Client ID*

I hereby record my presence at the 40th ANNUAL GENERAL MEETING of the Company at Swaraj Engines Limited, Plot No. 2, Industrial Phase IX, S.A.S. Nagar (Mohali), Punjab -160 062 on Tuesday, the 28th July, 2015 at 3:45 p.m.

*To be used for shares held in
electronic form

SIGNATURE OF THE SHAREHOLDER/PROXY

