



Annual Report 2012

Swaraj Automotives Limited

Swaraj Automotives Limited

Chief Financial Officer
M.N. KAUSHAL

Company Secretary
RAJESH KUMAR KAPILA

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

Bankers
STATE BANK OF PATTIALA

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

Works
Nabha (Distt. Patiala)
Punjab-147 201

BOARD OF DIRECTORS

DR. PAWAN GOENKA
Chairman

BISHWAMBHAR MISHRA

A.K.MAHAJAN

G.RATHINAM

V.S.PARTHASARATHY

S.C.BHARGAVA

HARDEEP SINGH

SANJEEV GOYLE

ANNUAL GENERAL MEETING

on Tuesday, 31st July, 2012
at 4.00 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 37th Annual General Meeting of Swaraj Automotives Limited will be held on **Tuesday, the 31st day of July, 2012 at 4.00 P.M.** at Swaraj Engines Limited, Plot No. 2, Industrial Phase IX, S.A.S.Nagar (Mohali), Punjab 160062 to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet as at 31st March, 2012 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 Bishwambhar Mishra who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Pawan Goenka who retires by rotation and, being eligible, offers himself for re-appointment.
5. 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 a Ordinary Resolution:

"RESOLVED that pursuant to section 224 of the Companies Act, 1956, Messrs 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

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

"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri S.C.Bhargava, who was appointed as an Additional Director and who ceases to hold office as per the provisions of Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director as per the provisions of Section 257 of the Companies Act, 1956, be appointed a Director of the Company, liable to retire by rotation."

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

"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Hardeep Singh, who was appointed as an Additional Director and who ceases to hold office as per the provisions of Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director as per the provisions of Section 257 of the Companies Act, 1956, be appointed a Director of the Company, liable to retire by rotation."

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

"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Sanjeev Goyle, who was appointed as an Additional Director and who ceases to hold office as per the provisions of Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director as per the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed a Director of the Company, liable to retire by rotation."

9. 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 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed thereunder and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under:

i) The following Article be inserted after the existing Article 84(2) as Article 84(3):

Participation through Electronic Mode

84(3): Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

ii) The following Article be inserted after the existing Article 155 as Article 155A:

Participation through Electronic Mode

155A : Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

iii) The following proviso be inserted after the existing Article 157:

Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

iv) The following Article be inserted after the existing Article 211(2) as Article 211(3):

211(3): Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/ may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/may be provided by any law.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee or any person which the Board may constitute/ nominate to exercise its powers, including the powers by this Resolution) be authorised to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution."

NOTES

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 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.
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 Register of Members and Share Transfer Books of the Company will be closed from 14th July, 2012 to 20th July, 2012 (both days inclusive).
5. The dividend, if declared at the Annual General Meeting, will be paid / dispatched on or after 1st August, 2012 to those shareholders or their mandates :
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 13th July, 2012 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 form; 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 on or before 13th July, 2012.
6. Members are requested to bring their copy of Annual Report to the Meeting. 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 made available at the Meeting.
7. 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, 2004 to the Investor Education and Protection Fund (IEPF). All unclaimed dividends for the financial year ended 31st March, 2005 will become due for transfer to IEPF in October, 2012. Members who have not encashed the dividend warrant(s) so far for the said period or 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 Fund or the Company in respect thereof.
8. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form 2B duly filled in to the Company.
9. Payment of Dividend through ECS :

- a) Members holding shares in electronic form may please note that bank details as furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to the Company will be used for the purpose of distribution of dividend through Electronic Clearing Service (ECS) as directed by the Securities and Exchange Board of India. In the absence of ECS facility, the bank account details, if available, will be printed on the dividend warrants. Members holding shares in electronic form must give instructions regarding bank account in which

they wish to receive dividend, to their Depository Participants. The Company will not act on any direct request from these members to change/deletion in such details.

b) Members holding shares in physical form are advised to submit particulars of their bank account, viz, name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 20th July, 2012, to the Company.

10. Members are requested to:

- Intimate to the Company 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.

11. The Directors of the Company are not 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: 19th June, 2012

BY ORDER OF THE BOARD

(RAJESH KUMAR KAPILA)
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to the items of the Special Business.

Item No. 6

Shri S.C.Bhargava was appointed by the Board as an Additional Director with effect from 20th October, 2011. He holds office upto the date of the forthcoming Annual General Meeting pursuant to section 260 of the Companies Act, 1956. The Company has received a notice in writing from a Member under section 257 of the Companies Act, 1956 proposing the appointment of Shri Bhargava as a Director of the Company.

Shri Bhargava is a Fellow Member of the Institute of Chartered Accountants of India and also holds a Bachelor's Degree with Honours in Commerce from Delhi University. He served Life Insurance Corporation of India (LIC) for 38 years and had retired in 2005 as Executive Director (Investment). He has vast experience in Finance / Insurance related matters in LIC and has been deeply involved in the investment portfolio at LIC which virtually covered all segments of Indian Economy. Shri Bhargava is currently a financial consultant. The Board is of the view that his association would be of immense value to the Company and hence recommends his appointment in terms of Resolution set out in Item No. 6 of the Notice.

Shri Bhargava does not hold any shares in the Company.

Apart from Shri S.C.Bhargava, none of the other Directors of the Company is concerned or interested in this Item of business.

Item No. 7

Shri Hardeep Singh was appointed by the Board as an Additional Director with effect from 20th October, 2011. He holds office upto the date of the forthcoming Annual General Meeting pursuant to section 260 of the Companies Act, 1956. The Company has received a notice in writing from a Member under section 257 of the Companies Act, 1956 proposing the appointment of Shri Hardeep Singh as a Director of the Company.

Shri Hardeep Singh holds a Bachelor's degree with honours in Economics and Advanced Management Program from Kellogg School of Management. He has served as Chairman, Cargill India Pvt. Ltd. and was responsible for Cargill businesses in India & Pakistan. Prior to this, he was Director- Rallis India Ltd. He has intimate involvement with managing agricultural businesses, international trade and food processing businesses. The Board is of the view that his association would be of immense value to the Company and hence recommends his appointment in terms of Resolution set out in Item No. 7 of the Notice.

Shri Hardeep Singh does not hold any shares in the Company.

Apart from Shri Hardeep Singh, none of the other Directors of the Company is concerned or interested in this Item of business.

Item No. 8

Shri Sanjeev Goyle was appointed by the Board as an Additional Director with effect from 25th April, 2012. He holds office upto the date of the forthcoming Annual General Meeting pursuant to section 260 of the Companies Act, 1956. The Company has received a notice in writing from a Member under section 257 of the Companies Act, 1956 proposing the appointment of Shri Sanjeev Goyle as a Director of the Company.

Shri Goyle is a Management Graduate from S.P.Jain Institute of Management and is currently Senior Vice President - Marketing and AppliTrac for the Farm Equipment Sector (FES) of Mahindra & Mahindra Limited. He possesses vast and varied experience in Sales and Marketing. The Board is of the view that his association would be of immense value to the Company and hence recommends his appointment in terms of Resolution set out in Item No. 8 of the Notice.

Shri Goyle does not hold any shares in the Company.

Apart from Shri Sanjeev Goyle, none of the other Directors of the Company is concerned or interested in this Item of business.

Item No. 9

The Ministry of Corporate Affairs ("MCA"), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated 20th May, 2011 and Circular No.35/2011 dated 6th June, 2011 has permitted companies to hold Board Meetings and Shareholders Meetings through Video Conference facility, as part of the Green Initiatives under Corporate Governance. Further, MCA vide Circular No. 72/2011 dated 27th December, 2011 made the Video Conference facility at the Shareholders Meetings optional to the listed companies.

Section 53 of the Companies Act, 1956 and Articles 211(1) and (2) provide for modes of service of documents on a Member of the Company. The MCA has vide Circular No. 17/2011 dated 21st April, 2011 stated that a company would have complied with section 53 if the service of a document has been made through electronic mode, provided the company has obtained e-mail addresses of its Members for sending Notices/Documents through e-mail by giving an advance opportunity to every Shareholder to register their e-mail addresses with the company. Clause 32 of the Listing Agreement of the Stock Exchanges also permits a company to send soft copies of full Annual Reports, Balance Sheet, Profit and Loss Account and Directors' Report to all Shareholders who have registered their e-mail addresses for the purpose.

It is proposed to carry out necessary amendments in the existing Articles of Association of the Company by inserting appropriate enabling provisions as set out in the Special Resolution under Item No. 9 to give effect to the above Circulars of MCA.

In terms of section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company. A copy of the existing Memorandum and Articles of Association of the Company alongwith the proposed draft amendments to the Articles of Association is available for inspection by any Member at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days (except Saturdays, Sundays and Public Holidays).

The Directors recommend the passing of the Resolution at Item No.9 as a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in this item of business.

Regd. Office :
Phase IV, Industrial Area
S.A.S. Nagar (Mohali)
Punjab – 160 055
Email: kapila.rajesh@mahindraswaraj.com
Dated: 19th June, 2012

BY ORDER OF THE BOARD
(RAJESH KUMAR KAPILA)
Company Secretary

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors are pleased to present their 37th Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2012.

FINANCIAL RESULTS :

	(Rs. in Crores)	
	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Net Revenue from Operations	70.31	67.29
Other Income	0.46	0.44
Total Revenue	70.77	67.73
Profit before Depreciation, Finance Charges and Tax	3.36	3.34
Finance Costs	0.28	0.35
Depreciation & Amortization Expense	0.87	0.96
Profit for the year	2.21	2.03
Prior period adjustments	(+) 0.13	(–) 0.03
Profit Before Tax	2.34	2.00
Tax Provision		
– Current	1.29	1.00
– Deferred	(0.54)	(0.34)
– Tax provisions made short in earlier years	0.05	–
Profit After Tax	1.54	1.34
Surplus - Opening Balance	2.71	2.61
Profit for the Year	1.54	1.34
Surplus available for appropriation	4.25	3.95
Appropriations:		
Proposed Dividend	0.72	0.72
Tax on Dividend	0.12	0.12
Transfer to General Reserve	0.50	0.40
Surplus - Closing Balance	2.91	2.71

REVIEW OF OPERATIONS

Members may kindly note that during fiscal 2012, the automobile and tractor industry had lower growth trends. In this backdrop, your Company received higher schedules from majority of its key customers during FY 2011-12 as compared to the previous year. As a result, despite lower business from a key customer, total net revenue for the year under review grew by 5% and reached Rs.70.77 crores, the highest ever annual revenue achieved by the Company, against the previous year's revenue of Rs.67.73 crores. Profit before interest, depreciation and tax for the financial year 2011-12 was Rs.3.36 crores against Rs.3.34 crores for the previous year. Profit before tax for the year under review was Rs.2.34 crores against Rs.2.00 crores for

previous year - up by 17%. Profit after tax for FY 2011-12 was Rs.1.54 crores against Rs.1.34 crores for the previous year. These post tax earnings translates into an Earning Per Share (EPS) of Rs.6.43 as against Rs. 5.58 for the previous year.

DIVIDEND

Your Directors have recommended a dividend of Rs.3.00 per Equity Share, which is the same as declared and paid in the previous year, payable to those Members whose names 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.0.84 crore (Previous year Rs.0.84 crore).

FINANCE

Your Directors report that the fund position of the Company stayed comfortable throughout the financial year 2011-12. As a result, after meeting routine capital expenditure and working capital requirements to support the operations, net interest income for the year was Rs.0.12 crore against Rs.0.04 crore for the previous year.

ACQUISITION OF ADDITIONAL 27% EQUITY STAKE BY PROMOTER

As Members are aware that pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, Mahindra & Mahindra Limited (M&M), the promoter of the Company, had acquired through Voluntary Open Offer 647,382 equity shares representing 27% of the equity share capital of the Company at an open price of Rs.90/- per equity share. The entire process was completed on 3rd February, 2012, thereby taking M&M's equity holding in the Company to 71.19%.

Your Directors believe that the consolidation of its equity stake by M&M will be beneficial for all the stakeholders of the Company.

INDUSTRIAL RELATIONS

Industrial relations were cordial throughout the year.

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, including educating the employees on Industrial Hygiene at the work place.

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 plantation of trees, arranging medical check-up camps, awareness campaign on road safety, education awareness program, etc.

DIRECTORS

Consequent upon their resignations, Shri Mandeep J. Sachdeva and Shri A.M.Sawhney ceased to be Directors of the Company with effect from 13th January, 2012 and 26th March, 2012 respectively. General Insurers' (Public Sector) Association of India (GIPSA) on behalf of GIPSA Member Companies and the GIC withdrew

the nomination of Shri Devi Singh as their representative on the Board of the Company and accordingly, Shri Devi Singh ceased to be Director of the Company with effect from 4th June, 2012. Your Board has placed on record its deep appreciation of notable contributions of Shri Sachdeva, Shri Sawhney and Shri Singh as Directors of the Company.

Shri S.C.Bhargava and Shri Hardeep Singh who were appointed as Additional Directors of the Company at the Meeting of the Board of Directors of the Company held on 20th October, 2011, hold office upto the date of the forthcoming Annual General Meeting.

Shri Sanjeev Goyle who was appointed as Additional Director of the Company at the Meeting of the Board of Directors of the Company held on 25th April, 2012, holds office upto the date of the forthcoming Annual General Meeting.

The Company has received notices under section 257 of the Companies Act, 1956 from Members signifying their intention to propose Shri S.C.Bhargava, Shri Hardeep Singh and Shri Sanjeev Goyle as candidates for the office of Director.

Shri Bishwambhar Mishra and Dr. Pawan Goenka retire by rotation, and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on representations received from the Operating Management, and after due enquiry, confirm that :

- a) in the preparation of Annual Accounts, the applicable accounting standards have been followed;
- b) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgment and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 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, 1956 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.

AUDITORS

The Company's Statutory Auditors M/s J.S. Chopra & Associates, Chartered Accountants, hold office until the conclusion of the forthcoming Annual General Meeting and have given their consent for re-appointment. The Company has received a certificate from M/s J.S. Chopra & Associates, Chartered Accountants to the effect that their re-appointment, if made, would be within the limits specified under section 224(1B) of the Companies Act, 1956. The shareholders will be required to appoint Auditors and fix their remuneration.

COST AUDITORS

As per the Order dated 24th January, 2012 issued by the Central Government, your Company from FY 2012-13 is covered under cost audit. Accordingly, the Board of Directors has appointed Messrs V. Kumar & Associates, Cost Accountants to audit the cost accounting records of the Company for the financial year ending 31st March, 2013, subject to the approval of the Central Government. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained a written confirmation from Messrs V. Kumar & Associates to the effect that they are eligible for appointment as Cost Auditors under Section 233B of the Companies Act, 1956. The Board of Directors of the Company has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

DEPOSITS

The Company has not accepted deposits from the public or its employees during the year under review.

The Company has not made any loans / advances and investment in its own shares, associates, etc. during the year which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ETC.

Particulars relating to energy conservation, technology absorption and foreign exchange outgo, as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure to this report.

PARTICULARS OF EMPLOYEES

In accordance with section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, as amended, the Company had no employee who was in receipt of remuneration of not less than Rs.60,00,000 per annum and was employed throughout the year ended 31st March, 2012 or not less than Rs.5,00,000 per month and was employed for a part of the financial year 2011-12.

FOR AND ON BEHALF OF THE BOARD

Place : S.A.S. Nagar (Mohali)

Date : 19th June, 2012

DR. PAWAN GOENKA

Chairman

ANNEXURE TO DIRECTORS' REPORT(Year ended 31st March, 2012)**Particulars as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012****A. CONSERVATION OF ENERGY:**

(a) Energy Conservation measures taken:

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

1. Improvement in material handling system through re-designing in Pre-treatment and Powder Coating Sections leading to avoid extra shift working.
2. To optimize heating load in the Phosphate Tank, heaters were replaced from outside to inside the tank.
3. Foam making (PU) Section connected to lower H.P. air compressor to avoid running of main higher H.P. compressor during night and holidays.
4. Programming modifications for loading of dies on Fine Blanking Press to avoid idle running.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

(c) Impact of the measures taken / to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Total annual estimated savings - Rs.8.00 lacs

(d) Total energy consumption and energy consumption per unit of production as per Form-A to the Annexure to the Rules in respect of Industries specified in the Schedule: Not Applicable.

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

1. Areas in which Research & Development is carried out: Seats and seat mechanisms
2. Benefits derived as a result of the above efforts: Improvement in the business.
3. Future plan of action : Continuous focus on seats & seat mechanisms
4. Expenditure on R&D

The Company spent revenue expenditure of Rs.2.01 lacs on Research & Development work during the year, which was 0.03% 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 5 years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, there were no exports. Foreign Exchange Outgo is contained in Note No. 2.30 of Notes on Accounts.

FOR AND ON BEHALF OF THE BOARD

Place : S.A.S. Nagar (Mohali)

Date : 19th June, 2012

DR. PAWAN GOENKA

Chairman

BALANCE SHEET AS AT 31ST MARCH, 2012

(Rs. in Lacs)

Particulars	Note	2012		2011		
EQUITY & LIABILITIES						
Shareholders' Funds						
Share Capital	2.1	239.77	239.77			
Reserves & Surplus	2.2	1913.63	2153.40	1842.96		
Non-Current Liabilities						
Deferred Tax Liabilities (Net)	2.3	—	16.75			
Other Long-term Liabilities	2.4	18.74	22.44			
Long-term Provisions	2.5	237.95	256.69	177.06		
Current Liabilities						
Trade Payables	2.6	1528.11	1497.71			
Other Current Liabilities	2.7	123.35	102.78			
Short-term Provisions	2.8	220.78	1872.24	184.29		
TOTAL			4282.33	4083.76		
ASSETS						
Non-Current Assets						
Fixed Assets	2.9					
– Tangible Assets		952.53	1010.99			
– Intangible Assets		5.94	12.60			
– Capital Spares		1.28	2.18			
Deferred Tax Assets (Net)	2.3	37.73	—			
Long-term Loans & Advances	2.10	35.81	1033.29	18.50		
TOTAL				1044.27		
Current Assets						
Inventories	2.11	321.41	413.52			
Trade Receivables	2.12	1832.51	1925.24			
Cash & Cash Equivalents	2.13	826.09	394.00			
Short-term Loans & Advances	2.14	269.03	3249.04	306.73		
TOTAL			4282.33	4083.76		
Significant Accounting Policies	1					
Notes on Accounts	2					

This is the Balance Sheet referred to in our report of even date.

The Notes referred to above form an integral part of the Balance Sheet.

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

FOR AND ON BEHALF OF THE
BOARD

J.S. CHOPRA
Partner
Membership No. 087476

M.N. KAUSHAL
Chief Financial Officer

DR. PAWAN GOENKA
Chairman

RAJESH K. KAPILA
Company Secretary

BISHWAMBHAR MISHRA
Director

Chandigarh, 26th April, 2012

Mumbai, 25th April, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012 (Rs. in Lacs)

Particulars	Note	2012	2011
Revenue from Operations (Gross)	2.15	7789.47	7424.62
Less : Excise Duty		758.01	695.63
Net Revenue from Operations		7031.46	6728.99
Other Income	2.16	45.66	43.70
Total Revenue		7077.12	6772.69
Expenses			
Cost of Materials Consumed	2.17	5087.64	5070.92
Changes in Inventories of Finished Goods and Work-in-Progress	2.18	53.73	(41.01)
Employee Benefits Expense	2.19	1099.00	964.22
Finance Costs	2.20	27.50	34.88
Depreciation & Amortization Expense	2.9	87.59	96.43
Other Expenses	2.21	501.14	444.20
Total Expenses		6856.60	6569.64
Profit for the year		220.52	203.05
Prior period adjustments	(+)	13.21	(-) 3.38
Profit Before Exceptional and Extraordinary items and Tax		233.73	199.67
Exceptional and Extraordinary items		—	—
Profit Before Tax		233.73	199.67
Tax Expense			
– Current Tax		129.06	99.99
– Deferred Tax (Net)		(54.48)	(34.12)
– Tax provision made short in earlier years now provided		4.88	79.46
			—
Profit After Tax		154.27	133.80
Earning per Equity Share	2.27		
Basic / Diluted Earning Per Share (Rs.)		6.43	5.58
Significant Accounting Policies	1		
Notes on Accounts	2		

This is the Profit & Loss Statement referred to in our report of even date.

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

J.S. CHOPRA
Partner
Membership No. 087476

M.N. KAUSHAL
Chief Financial Officer

Chandigarh, 26th April, 2012

The Notes referred to above form an integral part of the Profit & Loss Statement.

FOR AND ON BEHALF OF THE BOARD

DR. PAWAN GOENKA
Chairman

BISHWAMBHAR MISHRA
Director

Mumbai, 25th April, 2012

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

The Accounts are prepared in accordance with historical cost convention, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

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. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known and are reflected in the financial statements in the period in which these changes are made.

1.3 REVENUE RECOGNITION

- i) Sales are recognised at the time of despatches to customers or their respective transporters for onward despatches to customers. 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

Provisions are recognised if reliably estimated, and when there is a present legal obligation resulting from past events, and it is probable that there will be an outflow of resources to settle the obligation.

Contingent Liabilities are not recognised 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 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, 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% in the year of purchase.

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.
- ii) Finished goods and Work-in-progress are valued at lower of cost or net realisable value as certified by Management. Cost includes an appropriate portion of manufacturing overheads. These are valued on full absorption cost basis. Finished goods include excise duty, where ever applicable.
- iii) Scrap / damaged goods value is incorporated in books on the basis of actual realisation.

1.7 RETIREMENT BENEFITS

Contributions to various contributions schemes such as provident fund and other funds are charged to the profit and loss account, as incurred. The Company contributes to a 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.

Leave encashment liability & gratuity has been provided on actuarial basis by Independent actuary.

1.8 RESEARCH & DEVELOPMENT

Revenue expenditure on research and development is charged to Profit & Loss Account in the year in which it is incurred.

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.
- ii) Deferred Tax is recognised, 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. The Deferred Tax charge or credit is recognised using current tax rate.
- iii) Deferred Tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual certainty of realisation of such amount. Other Deferred Tax assets are recognised only to the extent there is certainty of realisation in future.

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.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

2.1 SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at 31st March	
	2012	2011
Authorised		
Equity Shares, Rs.10/- par value		
30,00,000 (2011 - 30,00,000) Equity Shares	300.00	300.00
Redeemable Cumulative Preference Shares, Rs.100/- par value		
50,000 (2011 - 50,000) Redeemable Cumulative Preference Shares	50.00	50.00
	350.00	350.00
Issued, Subscribed & Paid-up		
Equity Shares, Rs.10/- par value		
23,97,713 (2011 - 23,97,713) Equity Shares fully paid-up	239.77	239.77
	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 25th April, 2012 proposed a dividend of Rs.3.00 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, 2012 amounted to Rs.83.60 lacs including corporate dividend tax of Rs.11.67 lacs (2011 - Rs. 83.60 lacs including corporate dividend tax of Rs.11.67 lacs).

Equity Shares held by Holding Company on 31-03-2012 :

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

Equity Shareholders holding more than 5% shares :

Name	31.03.2012		31.03.2011	
	No. of Shares Held	% of Shareholding	No. of Shares Held	% of Shareholding
Mahindra & Mahindra Limited	17,06,925	71.19%	10,59,543	44.19%
CDC-PTL Holdings Limited	2,04,132	8.51%	4,79,543	20.00%

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

	31.03.2012		31.03.2011	
	No. of Shares	Share Capital (Rs. in Lacs)	No. of Shares	Share Capital (Rs. in Lacs)
Number of equity shares at the beginning	23,97,713	239.77	23,97,713	239.77
Movement in equity shares during the year	–	–	–	–
Number of equity shares at the closing	23,97,713	239.77	23,97,713	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.

2.2 RESERVES AND SURPLUS

(Rs. in Lacs)

Particulars	As at 31st March		2011
	2012		
Investment Allowance Reserve - Opening Balance	40.93	40.93	
Less : Transfer to General Reserve	40.93	—	40.93
Capital Reserve		1.38	1.38
General Reserve - Opening Balance	1529.93	1489.93	
Add : Transferred from Investment Allowance Reserve	40.93	—	
Transferred from Surplus	50.00	1620.86	1529.93
Surplus - Opening Balance	270.72	260.52	
Add : Profit for the Year	154.27	133.80	
	424.99	394.32	
Less : Appropriations			
Proposed Dividend	71.93	71.93	
Tax on Proposed Dividend	11.67	11.67	
Transfer to General Reserve	50.00	40.00	
Surplus - Closing balance	291.39	270.72	
	1913.63	1842.96	

2.3 DEFERRED TAX

(Refer Note 1.9)

(Rs. in Lacs)

Particulars	As at 31st March		2011
	2012		
Deferred Tax Liabilities			
– Difference between book & tax depreciation	97.41		112.35
Deferred Tax Assets			
– Provision for Employees Cost	(118.01)	(91.23)	
– Others	(17.13)	(4.37)	(95.60)
Deferred Tax Liabilities / (Assets)	(37.73)		16.75

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.

2.4 OTHER LONG TERM LIABILITIES

(Rs. in Lacs)

Particulars	As at 31st March		2011
	2012		
Grants-in-Aid (Refer Note 1.10)			
Capital Grant			
Opening Balance	22.44		26.14
Less : Depreciation	3.70		3.70
	18.74		22.44

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.

SWARAJ AUTOMOTIVES LIMITED

2.5 LONG-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March	
	2012	2011
Provision for Employee Benefits (Refer Note 1.7)		
– Provision for Gratuity (Refer Note 2.31)	173.70	120.27
– Provision for Leave Encashment	64.25	56.79
	<u>237.95</u>	<u>177.06</u>

2.6 TRADE PAYABLES

(Rs. in Lacs)

Particulars	As at 31st March	
	2012	2011
Trade Payables	1528.11	1497.71
	<u>1528.11</u>	<u>1497.71</u>

Based on the information available with the Company, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is Rs.22.60 lacs (2011 – Rs. Nil). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

2.7 OTHER CURRENT LIABILITIES

(Rs. in Lacs)

Particulars	As at 31st March	
	2012	2011
Grants-in-Aid (Refer Note 1.10 & 2.4)		
– Capital Grant	3.70	3.70
Deposits & Earnest Money	0.71	0.78
Unpaid / Unclaimed Dividend *	2.48	2.18
Other Liabilities		
– Salary & Other Employee Benefits Payable	67.70	49.99
– Expenses Payable	32.11	31.75
– Statutory Dues Payable	<u>16.65</u>	<u>116.46</u>
		<u>14.38</u>
	<u>123.35</u>	<u>96.12</u>
		<u>102.78</u>

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as on 31st March, 2012.

2.8 SHORT-TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31st March	
	2012	2011
Provision for Employee Benefits (Refer Note 1.7)		
– Provision for Gratuity (Refer Note 2.31)	54.79	41.26
– Provision for Leave Encashment	<u>59.46</u>	<u>114.25</u>
		<u>51.36</u>
		<u>92.62</u>
Others		
– Proposed Dividend	71.93	71.93
– Tax on Proposed Dividend	11.67	11.67
– Income Tax (net of provisions) (Refer Note 1.9)	<u>22.93</u>	<u>106.53</u>
		<u>8.07</u>
	<u>220.78</u>	<u>91.67</u>
		<u>184.29</u>

2.9 FIXED ASSETS

(Rs. in Lacs)

(Refer Note 1.5)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2011	Additions during the year	Sale/ Adjust- ments during the year	Cost as at 31.03.2012	As at 01.04.2011	Provided during the year	Disposal/ Adjust- ments during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS										
Land *	450.00	1.81	-	451.81	-	-	-	-	451.81	450.00
Buildings	368.65	-	-	368.65	210.32	12.31	-	222.63	146.02	158.33
Plant & Machinery	849.13	6.33	-	855.46	562.91	46.35	-	609.26	246.20	286.22
Electrical Installations	117.38	-	3.45	113.93	87.85	3.67	3.28	88.24	25.69	29.53
Furniture & Fixtures	10.27	-	-	10.27	8.70	0.11	-	8.81	1.46	1.57
Office Equipments	120.55	3.95	0.71	123.79	71.99	10.19	0.28	81.90	41.89	48.56
Vehicles	108.10	10.38	-	118.48	71.32	7.70	-	79.02	39.46	36.78
TOTAL (A)	2024.08	22.47	4.16	2042.39	1013.09	80.33	3.56	1089.86	952.53	1010.99
INTANGIBLE ASSETS										
Software	25.24	0.60	-	25.84	12.64	7.26	-	19.90	5.94	12.60
Other Intangible Assets **	50.55	-	50.55	-	50.55	-	50.55	-	-	-
TOTAL (B)	75.79	0.60	50.55	25.84	63.19	7.26	50.55	19.90	5.94	12.60
GRAND TOTAL (A+B)	2099.87	23.07	54.71	2068.23	1076.28	87.59	54.11	1109.76	958.47	1023.59
Previous Year	1637.30	467.81	5.24	2099.87	984.83	96.43	4.98	1076.28	1023.59	652.47
Capital Spares									1.28	2.18

* Includes land valued at Rs. 447.27 lacs, which was leasehold as on 31.03.2011 & currently as on 31.03.2012 is converted into freehold.

** Other intangible assets fully amortised have been squared off during the year.

Depreciation for the year on Motor vehicles, Air Conditioners and Coolers, Office Equipment and certain Plant & Machinery costing Rs.189.26 lacs (2011 - Rs. 187.11 lacs) has not been charged since 95% of its original cost has already been charged to depreciation.

Profit on disposal of fixed assets during the year ended 31st March, 2012 is Rs.1.83 lacs (2011 - Rs.0.53 lacs).

2.10 LONG-TERM LOANS & ADVANCES

(Unsecured-considered good unless otherwise stated)

(Rs. in Lacs)

Particulars	As at 31st March	
	2012	2011
Capital Advances *	19.26	—
Security Deposits		
– Considered Doubtful	1.94	—
Less : Provision for doubtful security deposits	1.94	—
– Others	16.55	18.50
	35.81	18.50

* Include advance amounting to Rs.2.65 lacs (2011 - Nil) to Holding Company (Refer Note 2.26).

2.11 INVENTORIES

(Refer Note 1.6)

(Rs. in Lacs)

Particulars	As at 31st March	
	2012	2011
Raw Materials & Components	211.04	252.47
Work-in-Progress	56.86	119.16
Finished Goods	22.91	14.34
Stores and Spares	21.93	18.49
Loose Tools	8.67	9.06
	321.41	413.52

Inventory as at 31st March, 2012 has been physically verified and certified by the Management.

2.12 TRADE RECEIVABLES

(Rs. in Lacs)

Particulars	As at 31st March	
	2012	2011
Debts outstanding from the date they are due for payment		
Unsecured		
For more than six months		
– Considered Doubtful	50.26	12.86
Less : Provision for doubtful debts	50.26	—
– Considered good	114.19	114.19
Unsecured		
For less than six months		
– Considered good *	1718.32	1835.44
	1832.51	1925.24

* Include dues from Holding Company & Associate Companies amounting to Rs.377.61 lacs (2011 - Rs.364.28 lacs) (Refer Note 2.26).

Provision for doubtful debts - as at 31st March, 2012 :

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	
	2012	2011
Cash on hand	0.09	0.50
Balances with Banks		
– In Current Accounts	320.56	39.58
Balance with Banks held as Margin Money and Deposit against Guarantees	24.77	17.16
Other Bank Balances		
– Deposit Account with more than 12 months maturities	41.00	277.00
– Deposit Account with less than 12 months maturities	402.00	53.68
– Interest Accrued on Fixed Deposits	35.19	478.19
Unpaid/Unclaimed Dividend Accounts	2.48	3.90
	<u>826.09</u>	<u>334.58</u>
		2.18
	<u>826.09</u>	<u>394.00</u>

Deposits are with State Bank of Patiala, 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, 2012 include restricted cash and bank balances of Rs 27.25 lacs (2011 - Rs 19.34 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	
	2012	2011
Excise Duty Claims recoverable	3.66	3.66
Insurance Claim recoverable	1.21	–
Prepaid Expenses	2.26	2.60
Advances to Suppliers	18.02	8.89
Advances to Employees	3.26	5.67
Balance with Excise Authorities	24.89	24.23
Security Deposits	10.90	15.54
Value Added Tax Recoverable	204.83	246.14
	<u>269.03</u>	<u>306.73</u>

SWARAJ AUTOMOTIVES LIMITED
2.15 REVENUE FROM OPERATIONS
(Rs. in Lacs)

Particulars	Year ended 31st March	
	2012	2011
Sale of Products (Refer Note 2.29 A)	7714.18	7360.26
Other Operating Revenues		
– Sale of Scrap	69.18	64.20
– Job Charges	6.11	75.29
	7789.47	0.16
		7424.62

2.16 OTHER INCOME
(Rs. in Lacs)

Particulars	Year ended 31st March	
	2012	2011
Interest Income	39.69	39.25
Profit on Sale of Fixed Assets	1.83	0.53
Miscellaneous Income	4.14	3.92
	45.66	43.70

2.17 COST OF MATERIALS CONSUMED

(Refer Note 2.29 B)

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2012	2011
Opening Stock	280.02	205.43
Add : Purchases	4949.35	5082.78
Job Charges	99.91	5049.26
		62.73
	5329.28	5145.51
		5350.94
Less : Closing Stock	241.64	280.02
	5087.64	5070.92

2.18 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS
(Rs. in Lacs)

Particulars	Year ended 31st March	
	2012	2011
Opening Stock	133.50	92.49
Less : Closing Stock	79.77	133.50
	53.73	(41.01)

2.19 EMPLOYEE BENEFIT EXPENSE

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2012	2011
Salaries & Wages	836.34	749.87
Contribution to Provident & Other Funds	59.10	51.77
Gratuity & Superannuation (Refer Note 1.7)	96.89	72.35
Workmen & Staff Welfare	106.67	90.23
	1099.00	964.22

2.20 FINANCE COSTS

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2012	2011
Interest on Overdraft	—	3.93
Bank Charges	1.67	1.24
Cash Discount (Net)	25.47	28.96
Other Interest Cost	0.36	0.75
	27.50	34.88

2.21 OTHER EXPENSES

(Rs. in Lacs)

Particulars	Year ended 31st March	
	2012	2011
Power, Fuel & Water Charges	119.03	112.89
Consumption of Stores & Spares	42.34	37.85
Rent	8.95	4.53
Rates and Taxes	1.11	2.25
Insurance	2.40	2.51
Repairs and Maintenance		
– Buildings	3.48	3.06
– Machinery	12.51	10.16
– Others	18.45	19.68
Postage & Telephone	3.43	4.25
Printing & Stationery	9.21	8.23
Legal and Professional Charges	9.52	9.01
Advertisement	5.92	3.80
Freight Outward	169.10	151.63
Sales Promotion Expenses	9.11	24.31
Travelling & Conveyance Expenses	33.14	32.55
Provision for Doubtful Debts	37.40	—
Provision for Doubtful Security Deposits	1.94	—
Auditors' Remuneration		
– Statutory Audit Fees	0.90	0.72
– Other Services	1.22	0.45
– Reimbursement of Expenses	0.44	0.39
Tax Auditors' Fees	0.20	0.15
Directors' Sitting Fees	0.80	0.70
Design & Development Expenses	0.13	0.62
Warranty Claims	0.40	0.17
Miscellaneous Expenses	10.01	14.29
	501.14	444.20

2.22 The Company is having Nil outstanding as on 31st March, 2012 (2011 - 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.

2.23 CONTINGENT LIABILITIES & COMMITMENTS

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

Contingent Liabilities

Particulars	As at 31st March	
	2012 (Rs. in Lacs)	2011 (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 demand (pending in appeal)	20.55	14.68*
Counter guarantees to bank	14.77	7.16

*Includes Rs.2.42 Lacs paid under protest.

Commitments

Particulars	As at 31st March	
	2012 (Rs. in Lacs)	2011 (Rs. in Lacs)
i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	23.79	4.99
ii) Other commitments (net of advances)	8.35	—
	32.14	4.99

2.24 CURRENT ASSETS

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

2.25 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.

2.26 In accordance with Accounting Standard -18, the related party disclosures for the year ended 31st March, 2012 are as follows :

i) Holding Company	Mahindra & Mahindra Limited (w.e.f. 3rd February, 2012)
ii) Associate Companies	Mahindra & Mahindra Limited* Swaraj Engines Limited
iii) Key Management Personnel	Shri Bishwambhar Mishra

iv) Transactions with related parties : (Rs. in Lacs)

		Holding Company	Associate Companies
a)	Sale of finished goods	373.36	2463.28
		(-)	(2267.25)
	Mahindra & Mahindra Limited	373.36	2077.46
		(-)	(1909.73)
	Swaraj Engines Limited	—	385.82
		(-)	(357.52)
b)	Purchase of fixed assets	—	0.42
		(-)	(-)
	Swaraj Engines Limited	—	0.42
		(-)	(-)
c)	Reimbursement in respect of services received	14.76	82.73
		(-)	(86.13)
	Mahindra & Mahindra Limited	14.76	75.55
		(-)	(80.02)
	Swaraj Engines Limited	—	7.18
		(-)	(6.11)
d)	Inter-Corporate Deposit paid	—	—
		(-)	(20.70)
	Mahindra & Mahindra Limited	—	—
		(-)	(20.70)
e)	Interest paid	—	—
		(-)	(429.57)
	Mahindra & Mahindra Limited	—	—
		(-)	(429.57)
f)	Dividend Paid	—	31.79
		(-)	(42.38)
	Mahindra & Mahindra Limited	—	31.79
		(-)	(42.38)
	Aggregate balances outstanding as at the year end		
	– Receivables	300.84	76.77
		(-)	(364.28)
	– Advances Recoverable	2.65	—
		(-)	(-)

Previous year's figures are given in brackets.

* Consequent to acquisition of 647,382 equity shares of Rs.10/- each (27%) by Mahindra & Mahindra Limited through Voluntary Open Offer, the Company became a subsidiary of Mahindra & Mahindra Limited with effect from 3rd February, 2012. Accordingly, transactions for Mahindra & Mahindra Limited as Associate Company are from 1st April, 2011 to 2nd February, 2012.

2.27 EARNING PER SHARE (EPS)

Particulars	Year ended 31st March	
	2012	2011
Profit attributable to equity shareholder (Rs. in lacs)	154.27	133.80
Basic/Weighted average number of equity shares	23,97,713	23,97,713
Basic / Diluted Earning Per Share (Face Value Rs.10/- per share)	Rs.6.43	Rs.5.58

2.28 Miscellaneous income under Other Income includes a sum of Rs.3.70 lacs (2011 - Rs.3.70 lacs) being the depreciation on Plant & Machinery received as Capital Grant in aid which is adjusted against the grant received.

2.29 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	
		2012	2011
i) Seats for Light Commercial Vehicles			
Opening stock	Sets	0	30
Production during the year	"	8,127	7,716
Sales	"	8,035	7,746
Closing stock	"	92	0
ii) Seats Others			
Opening stock	Nos.	0	156
Production during the year	"	1,17,694	1,12,201
Sales	"	1,17,077	1,12,357
Closing stock	"	617	0
iii) Seat Components			
Opening stock	Nos.	4,198	10,257
Production during the year	"	19,38,556	15,39,673
Sales	"	19,41,213	15,45,732
Closing stock	"	1,541	4,198
iv) Sales		2012	2011
		(Rs. in Lacs)	(Rs. in Lacs)
Seat Components		3,846.52	3,911.50
Seats of Light Commercial Vehicles		895.00	974.04
Tools, Dies & Fine Blanking Components		57.40	42.13
Exhaust Brake & Cover Service Hole		168.08	153.00
Tractor Parts		2,717.21	2,246.00
Combine Parts		29.97	33.59
		7,714.18	7,360.26

B (a) Consumption of Raw Materials & Components

Particulars	Unit	Year ended 31st March			
		2012		2011	
		Qty.	Rs. in Lacs	Qty.	Rs. in Lacs
PU Foam Material	MT	205.37	274.49	222.35	275.95
CRCA Sheet & Steel Sheet	MT	1318.88	700.33	1025.95	559.77
Paints & Chemicals	MT	87.74	131.03	88.11	122.29
Trim Comp., Frames & Silencer etc.	Nos.	9.08	591.96	7.96	583.55
(in lacs)					
Stopper, B. Plates, Arm Plate, H Plate	"	54.77	740.48	69.18	790.26
Guide Block, Sect-disc Lever etc.	"	38.34	280.24	40.44	280.60
Upper Rail, Lower Rail, Pawl Lock etc.	"	13.75	245.73	12.18	219.00
Tractor Seat Parts	—		1,134.76		995.76
Packing Materials	—		76.24		76.11
Job Work Charges	—		99.91		62.73
Others	—		812.47		1,104.90
			<u>5,087.64</u>		<u>5,070.92</u>

Notes:

- It is not possible to furnish quantitative information of all the components in view of large number of items varied in size and nature.
- 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 2.17 and includes adjustments for excess / shortage found on physical verification.

(b) Value of imported and indigenous Raw Material & Components and percentage of each to total consumption

Particulars	Year ended 31st March			
	2012	2011	%age	Rs. in Lacs
i) Imported	0.11	5.55	0.67	33.86
ii) Indigenous	99.89	5,082.09	99.33	5,037.06
	<u>100.00</u>	<u>5,087.64</u>	<u>100.00</u>	<u>5,070.92</u>

2.30 Expenditure in Foreign Currency

Particulars	Year ended 31st March	
	2012	2011
	(Rs. in Lacs)	(Rs. in Lacs)
i) Import of Raw Materials & Components	5.55	28.56

2.31 Employee Defined Benefits:

Defined benefit plans - as per Actuarial Valuation

	Gratuity Plan	
	2012 (Rs. in Lacs)	2011 (Rs. in Lacs)
I. Expenses Recognised in the Statement of Profit & Loss Account		
1. Current Service Cost	18.07	14.89
2. Interest	28.01	22.14
3. Expected Return on plan assets	(16.18)	(15.57)
4. Actuarial (Gain) / Loss	62.26	46.58
5. Total Expense	92.16	68.04
II. Net Asset / (Liability) recognised in the Balance Sheet		
1. Present value of Defined Benefit Obligation	416.41	342.95
2. Fair Value of plan assets	187.91	181.43
3. Funded Status [Surplus / (Deficit)]	(228.49)	(161.52)
4. Net Asset / (Liability)	(228.49)	(161.52)
III. Change in the obligation during the year		
1. Present value of Defined Benefit Obligation as at beginning of the year	342.95	293.89
2. Current service cost	18.07	14.89
3. Interest Cost	28.01	22.14
4. Benefit payments	(34.46)	(34.18)
5. Actuarial (Gain) / Loss	61.83	46.21
6. Present value of Defined benefit Obligation as at end of the year	416.41	342.95
IV. Change in the Fair Value of Assets		
1. Fair Value of plan assets at the beginning of the year	181.43	174.15
2. Expected return on plan assets	16.18	15.57
3. Contribution by employer	25.19	26.25
4. Actual benefits paid	(34.46)	(34.18)
5. Actuarial (Gain) / Loss on Plan assets	(0.42)	(0.36)
6. Fair value of plan assets at the end of the year	187.91	181.43
7. Actual return on plan assets	15.75	15.21
V. The major categories of plan assets as a percentage of total plan		
Funded with LIC	100%	100%
VI. Actuarial Assumptions		
1. Imputed Rate	8.60%	8.00%
2. Expected rate of return on plan assets	9.15%	9.15%
3. In-service Mortality	LIC 1994-96 Ultimate	
4. Turnover Rate	5.00%	5.00%
5. Salary Rise - Officers/workers	10% / 8%	10% / 5%
6. Remaining Working life	10.97 Yrs	11.40 Yrs

2.32 Investment Allowance Reserve, relating to period upto 31st March, 1995 amounting to Rs.40.93 lacs (2011 - Rs.40.93 lacs) has been transferred to General Reserve in current year.

2.33 Prior period adjustments includes income / expenses pertaining to earlier years amounting to Rs. 13.21 lacs (2011 - Rs.3.38 lacs).

2.34 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, 2012 (Rs. in Lacs)

	2012	2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	233.73	199.67
Adjustments for :		
Depreciation	87.59	96.43
Interest Paid	0.36	4.68
Provision for Earned Leave & Gratuity	82.52	55.31
Provision for Doubtful Debts & Advances	39.34	—
Interest Income	(39.69)	(39.25)
Profit on Sale of Assets	(1.83)	(0.53)
Capital grant-in-aid	<u>(3.70)</u>	<u>164.59</u>
Operating Profit before Working Capital Changes	398.32	312.61
Adjustments for:		
Trade Receivables	55.33	(535.85)
Inventories	92.11	(115.60)
Loans & Advances	18.45	15.92
Trade Payables	<u>50.97</u>	<u>216.86</u>
Cash Generated From Operations	615.18	(133.22)
Direct taxes refund/(paid)	(119.08)	(90.34)
Net Cash From Operating Activities	<u>496.10</u>	<u>(223.56)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(22.17)	(467.27)
Sale of Fixed Assets	2.43	0.79
Interest received	39.69	39.25
Net Cash Used in Investing Activities	<u>19.95</u>	<u>(427.23)</u>

	2012	2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Corporate Loans	-	-
Dividend paid	(83.60)	(111.84)
Interest Paid	(0.36)	(4.68)
Net Cash Used in Financing Activities	(83.96)	(116.52)
Net Increase/(Decrease) in Cash & Cash Equivalents	432.09	(767.31)
Opening Cash & Cash Equivalents (#1)	394.00	1161.31
Closing Cash & Cash Equivalents (#2)	826.09	394.00
#1 Cash & Bank Balances	394.00	1161.31
Cash Credit Account	-	-
Opening Cash & Cash Equivalents	394.00	1161.31
#2 Cash & Bank Balances	826.09	394.00
Cash Credit Account	-	-
Closing Cash & Cash Equivalents	826.09	394.00

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.

This is the Cash Flow Statement referred to in our report of even date.

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

J.S. CHOPRA
Partner
Membership No. 087476

Chandigarh, 26th April, 2012

FOR AND ON BEHALF OF THE BOARD

DR. PAWAN GOENKA
Chairman

BISHWAMBHAR MISHRA
Director

Mumbai, 25th April, 2012

M.N. KAUSHAL
Chief Financial Officer

RAJESH K. KAPILA
Company Secretary

AUDITORS' REPORT TO THE MEMBERS OF**SWARAJ AUTOMOTIVES LIMITED**

1. We have audited the attached Balance Sheet of Swaraj Automotives Limited ('the Company') as at 31 March, 2012 and Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) 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;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors, as on 31 March, 2012 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31 March, 2012 from being appointed as a director of the Company, in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012 ;
 - (b) In the case of the Statement of Profit and Loss of the profit of the Company for the year ended on that date ; and
 - (c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

JAGDEEP S. CHOPRA, FCA
 Partner
 Membership No. 087476

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our report of even date to the members of Swaraj Automotives Limited on the accounts for the year ended March 31, 2012.

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and in terms of the information and explanations given to us and the books and records examined by us during the normal course of audit, 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.
(c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. (a) The inventories have been physically 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 neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f), and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us during the course of audit, there are 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 made any transactions that need to be entered in to the register in pursuance of Section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of business of the Company.

8. As informed to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.

9. In respect of statutory dues:

(a) According to information and explanations given to us, and the records of the Company, examined by us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Service tax, Custom Duty, Excise Duty, 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, 2012 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.

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	16.79	2005-06 to 2008-09, 2010-11	Commissioner Appeal
3.	Central Excise & Service Tax	Service Tax on Canteen & Horticulture Services	0.42	2009-10	Appellate Tribunal
4.	Central Excise & Service Tax	Service Tax on Canteen & Horticulture Services	3.00	2008-09, 2009-10	Appellate Tribunal
	Total		20.55		

10. 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.

11. 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.

12. According to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly clause 4(xiii) of the Order is not applicable to the Company.

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

15. 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.
16. According to information and explanation given to us, the term loan raised by the Company during the year and those outstanding at the beginning of the year were applied for the purposes for which the loans were obtained.
17. In our opinion and according to information and explanation given to us, during the year the Company has not used the funds raised on short term basis for long term investment and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. 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)

Place : Chandigarh
Dated : 26th April, 2012

JAGDEEP S. CHOPRA, FCA
Partner
Membership No. 087476

NOTES

SWARAJ AUTOMOTIVES LIMITED

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

37th Annual General Meeting - 31st July, 2012

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

NAME OF THE SHAREHOLDER/PROXY Folio No.
ADDRESS DP ID*

No. of Shares held : **Client ID***

I hereby record my presence at the 37th ANNUAL GENERAL MEETING of the Company on Tuesday, the 31st July, 2012 at 4.00 P.M. at Swaraj Engines Ltd., Plot No. 2, Industrial Phase IX, S.A.S. Nagar (Mohali) Punjab-160 062.

*To be used for shares held in electronic form

SIGNATURE OF THE SHAREHOLDER/PROXY

PROXY

SWARAJ AUTOMOTIVES LIMITED

Registered Office :

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

Folio No. DP ID* Client ID*

I/We
of being a member/members
of SWARAJ AUTOMOTIVES LIMITED hereby appoint
of
for failing him
of

as my/our proxy to vote for me/us on my/our behalf at the 37th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 31st July, 2012 at 4.00 P.M. and at any adjournment thereof.

Signed this day of 2012.

*To be used for shares held in electronic form

Signature

Affix
Revenue
Stamp