



Annual Report 2015

SML ISUZU LIMITED

CSR Initiatives 2014-2015 ...



Education - Infrastructure such as Desks, Chairs, Fans and Toilets in village schools



Preventive Healthcare – Health Camps and Safe Drinking Water in village schools

CSR Initiatives 2014-2015



Healthcare – Ambulances and Patient Trolleys in Government Hospitals



Sanitation – Public Toilets and Underground Drainage System in a village close to Company's Plant



Girls Education – Support to under privileged girls in the form of School Fees, Uniforms and Books

SML ISUZU LIMITED (FORMERLY SWARAJ MAZDA LIMITED)

BOARD OF DIRECTORS

S.K. TUTEJA - Chairman
P.K. NANDA
A.K. THAKUR
DR. VASANTHA S. BHARUCHA
SUDHIR NAYAR
M. NAKAJIMA
K. KUROKAWA
K. TAKASHIMA
M. NARIKIYO
PANKAJ BAJAJ
E. SETO - Managing Director & CEO
GOPAL BANSAL - Whole-time Director & CFO
K. KATAYAMA - Director – R&D

COMPANY SECRETARY

PARVESH MADAN

AUDITORS	B S R & COMPANY
LISTING OF SHARES	BSE LIMITED NATIONAL STOCK EXCHANGE OF INDIA LIMITED
BANKERS	CANARA BANK INDIAN OVERSEAS BANK MIZUHO BANK LTD.
REGISTERED OFFICE & WORKS	VILLAGE : ASRON, DISTT. SHAHID BHAGAT SINGH NAGAR (NAWANSHAHR) PUNJAB-144 533
CORPORATE OFFICE	SCO 204-205, SECTOR 34-A, CHANDIGARH-160 135

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31ST ANNUAL GENERAL MEETING

on Thursday, 24th September, 2015
at 1.30 P.M. at Village Asron,
Distt. Shahid Bhagat Singh Nagar,
(Nawanshahr), Punjab - 144533

REPORT OF THE DIRECTORS

The Directors are pleased to present their thirty-first Annual Report together with audited financial statements for the financial year ended 31st March 2015.

PERFORMANCE REVIEW

The Indian economy witnessed a modest recovery in the year with lower fiscal and current account deficit, slowing inflation, lowering interest rates and weak commodity prices, particularly oil. It was hoped that the new initiatives on reforms and economic management would give considerable push to the industrial economy and business sentiment but the change was only marginal as reflected in the GDP growth to 7.3% from 6.9%. However, none of these assisted demand for commercial vehicles, which declined 1.3%. Sales volume in 5-12 ton GVW segment, in which the Company principally operates, remained virtually static. However, happily, your Company was able to achieve higher sales, at 11759 vehicles against 9760 in the previous year.

The financial performance of the Company, for the year ended 31st March, 2015 is summarized below:

(Rs. in Crores)

	2015	2014
Sales volume (No. of vehicles)	11759	9760
Net revenue	1,114.34	885.99
Less : material cost & other expenses	1,040.00	849.58
Operating profit	74.34	36.41
Profit before tax	48.74	17.71
Profit after tax	36.94	17.40
Balance of profit from prior years	103.28	92.70
Surplus available for appropriation	140.22	110.10
Transfer to General Reserve	3.70	1.74
Proposed dividend (including tax)	10.45	5.08
Amount carried to Balance Sheet	126.07	103.28

DIVIDEND

The Directors have recommended payment of dividend of Rs. 6.0 per equity share of face value of Rs. 10 each for the year ended 31st March, 2015 (previous year - Rs. 3.0 per equity share) amounting to Rs. 10.45 crores (previous year - Rs. 5.08 crores), including dividend distribution tax of Rs. 1.77 crores (previous year - Rs. 0.74 crores).

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis, which also covers the state of the Company's affairs, forms a part of this report.

CORPORATE GOVERNANCE

A report on corporate governance together with the Auditors' Certificate confirming compliance with corporate governance norms, as stipulated in the Listing Agreements, forms a part of this report.

INDUSTRIAL RELATIONS

Industrial relations and work atmosphere remained cordial throughout the year with sustained communication and engagement with workforce through various forums.

CREDIT RATING

The Company continues to enjoy the highest rating for short term borrowings, of A1+ from ICRA reflecting the Company's financial prudence. Further, the long term rating for line of credit / cash credit limits has been upgraded from A+ to AA-.

SAFETY, HEALTH AND ENVIRONMENT

The Company continues to demonstrate strong commitment to safety, health and environment which have been adopted as core organizational values. The Company assures safety and audits its facilities in accordance with statutory and regulatory requirements.

Employees are continuously made aware of hazards / risks associated with their job and necessary training is imparted to update their knowledge and skill to meet any emergency. Regular medical and occupational check-ups of employees are conducted and eco-friendly activities are promoted.

Safe disposal of hazardous waste is ensured through an effluent treatment plant and an incinerator; a sewage treatment plant ensures eco-friendly disposal of sewage.

CURRENT BUSINESS ENVIRONMENT

High degree of optimism arising out of policy statements from a new stable government, most economists forecasting that the Indian economy is set for sustained growth with lower oil prices, some containment of inflation, stable financial and currency policy, has been somewhat belied so far. The expected growth in industrial, construction and mining sectors is still elusive. However, encouraged by replacement demand, an early resolution of the GST stalemate and a reasonable monsoon all together justify the growth forecast by the Society of Indian Automobile Manufacturers (SIAM) of 13-15% for medium & heavy vehicles and 3-5 % for low weight vehicles. Overall growth of commercial vehicle industry in the first quarter of the current year April-June, 2015 was reported at 6% (Domestic – 3.6% and Exports – 26.0%).

The Company registered sales volume growth of 5%, in the first quarter, 3810 (3629) vehicles, out of which passenger vehicle sale was 2766 (2749) and cargo trucks 1044 (880). Although the growth trend is expected to be maintained, that has to be seen in the light of prevailing uncertainty over enforcement of safety / emission regulations in respect of commercial vehicles.

On net revenue of Rs. 385.2 crores, the Company has earned profit after tax of Rs. 29.1 crores in the first quarter of the current year compared with Rs. 340.3 crores and Rs. 23.4 crores, respectively in the corresponding quarter last year.

In view of the foregoing comments, the Directors can look to a reasonable sales performance in the current year, but no more, with continuing emphasis on cost control and cash management.

The civil construction work in respect of the Company's capex project envisaging an outlay of Rs. 220 crores, as stated in the last Annual Report, for technology, product development and up-gradation, plant infrastructure to improve manufacturing efficiency commenced during the last quarter of financial year under review. Other work is also in progress.

DIRECTORS

Mr. Katsuya Okihira tendered his resignation as Director of the Company in March, 2015. The Board, at its Meeting held on 27th March, 2015, recorded its deep appreciation for his valuable support and advice during his tenure.

Mr. Hiroshi Omino tendered his resignation as Director of the Company in July, 2015. The Board, at its Meeting held on 7th August, 2015, recorded its deep appreciation for his valuable support and advice during his tenure.

Mr. Masahiro Narikiyo was appointed as an Additional Director of the Company on 27th March, 2015 and holds office up to the forthcoming Annual General Meeting. The Company has received Notice under Section 160 of the Companies Act, 2013 proposing Mr. Narikiyo's appointment as a Director of the Company for consideration of the Members at the forthcoming Annual General Meeting.

Mr. Kimitoshi Kurokawa was appointed as an Additional Director of the Company on 7th August, 2015 and holds office up to the forthcoming Annual General Meeting. The Company has received Notice under Section 160 of the Companies Act, 2013 proposing Mr. Kurokawa's appointment as a Director of the Company for consideration of the Members at the forthcoming Annual General Meeting.

Mr. Masaki Nakajima retires by rotation and being eligible, offers himself for re-appointment.

Mr. Kyoichiro Takashima retires by rotation and being eligible, offers himself for re-appointment.

At the last Annual General Meeting of the Company, held in September 2014, the Members had approved the appointment of Mr. Hiroshi Omino and Mr. Kyoichiro Takashima as Non-Executive Directors, Mr. S.K.Tuteja, Mr. P.K. Nanda, Mr. A.K.Thakur, Mr. Sudhir Nayar and Dr. (Mrs.) Vasantha S. Bharucha as Independent Directors, Mr. Eiichi Seto as Managing Director & CEO, Mr. Gopal Bansal as Whole-time Director & CFO and Mr. Kei Katayama as Director - R&D.

All the independent Directors have given declarations to the Company that they meet the criteria of 'independence' set out in the Listing Agreements and the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL (KMPs)

In terms of the applicable provisions of the Companies Act 2013, following were appointed as KMPs w.e.f. 1st April, 2014:

Name	Designation
Mr. Eiichi Seto	Managing Director & CEO
Mr. Gopal Bansal	Whole-time Director & CFO
Mr. Parvesh Madan	Company Secretary

No KMP has resigned or was newly appointed during the year.

NOMINATION AND REMUNERATION POLICY

Based on the recommendations of the Nomination and Remuneration Committee, the Board approved a Nomination and Remuneration Policy, which is attached as **Annexure A**.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Listing Agreements. There were no material transactions made by the Company during the year that would have required shareholders approval under the Listing Agreements.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

The Company has adopted a policy to deal with related party transactions as approved by the Board of Directors. It is uploaded on the Company's website at web link: <http://smlisuzu.com/Financials/RPTPolicy.aspx>.

In terms of Section 134(3)(h) of the Companies Act, 2013, there are no transactions to be reported in Form AOC-2.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is attached as **Annexure B**.

MEETINGS OF THE BOARD

Five Board meetings were held during the year as detailed in the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee comprises three non-executive independent Directors, Mr. P.K. Nanda, as Chairman, Mr. A.K. Thakur and Mr. Sudhir Nayar, and one whole-time director, Mr. Gopal Bansal, Whole-time Director & CFO. All the recommendations made by the Audit Committee during the year were accepted by the Board.

PARTICULARS OF EMPLOYEES

The information as per Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. However, as per the provisions of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto without the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on all working days up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof may write to the Company Secretary in this regard.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loans, guarantees or made any investments during the year, which would be covered by Section 186 of the Companies Act, 2013.

AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

The Company proposes to carry Rs. 3.70 crores to General Reserve for the FY 2014-15. (Previous year - Rs. 1.74 cores).

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

No adverse material changes have occurred or commitments made after 31st March, 2015 which may affect the financial position of the Company or require disclosure.

SUSTAINABILITY INITIATIVE

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

RISK MANAGEMENT

The primary objective of risk management is to protect the Company against risks to the value of the business, its capital and its continuity. In order to achieve the objective and for better governance, the Board has constituted a Risk Management Committee (RMC) comprising three independent Directors, one non-executive Director and the Whole-time Director & CFO.

RMC is entrusted with the functions, earlier overseen by the Audit Committee, of determining efficacy of risk management framework of the Company, evaluation of risks and mitigating measures. Based on its recommendations, the Company has adopted a formal Risk Management Policy.

The Policy sets out important areas of risk- financial risks (including risk to assets), legislative and regulatory risks, environmental risks (including natural disasters), operational risks (markets, production, technology, etc.), risks relating to employment and manpower, and individual large transactional risks. The Managing Director & CEO identifies and proposes action in respect of all risks through his management team as and when any are perceived or foreseen or inherent in operations; analyses these, and then reports to RMC for its review and guidance.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013, your Directors have constituted Corporate Social Responsibility (CSR) Committee with two independent non- executive Directors, namely, Mr. S.K.Tuteja, as Chairman and Dr. (Mrs.) Vasantha S. Bharucha (w.e.f. 8th May, 2015), and two whole-time Directors namely Mr. Eiichi Seto, Managing Director & CEO and Mr. Gopal Bansal, Whole-time Director & CFO as its members. On its recommendation, the Board has adopted a Company policy on CSR with thrust areas of activities to include promoting healthcare and sanitation, supporting education of under privileged children / girl child, sponsoring vocational education for women and providing support to war widows and their dependents.

Annual Report on CSR activities for the year ended 31st March 2015 is attached as **Annexure C**.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreements, the Board has carried out an annual evaluation of its own performance and that of its Committees after seeking inputs from all the Directors and members of relevant Committees. The Board also carried out performance evaluation of each Director based on the evaluation carried out by the Nomination and Remuneration Committee (NRC).

The criteria for performance evaluation was set out by NRC and adopted by the Board. These included composition and structure of the Board and its Committees, effectiveness of the Committees, knowledge of the Company's operations by members, their participation at meetings including preparedness for issues for consideration, level of contributions in assessing and improving performance of the Company and interactions amongst themselves and with senior management. Adherence to code of conduct of the Company, fiduciary and statutory obligations, continuing maintenance of independence by independent Directors were a part of the performance evaluation.

The Board was satisfied with its composition and its diversified nature and that all Directors upheld highest standards of integrity and probity, adhered to Company's code of conduct, made constructive and effective contribution at meetings and generally carried out their responsibilities well in the interest of the Company and its stakeholders.

A separate meeting of independent Directors was held to review the performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of other Directors. That review was most satisfactory.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year.

SHARE CAPITAL

There was no change in the Company's issued, subscribed and paid-up equity share capital during the year.

DEPOSITS

The Company has not accepted deposits under Chapter V of the Companies Act, 2013.

SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS

To the best of our knowledge, the Company has not received any such orders from regulators, courts or tribunals during the year which may impact the going concern status of the Company or its operations in future.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has adopted a policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the Act) and the Rules there under. The Policy aims to provide protection to women at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment. The Company has also constituted an Internal Complaints Committee in accordance with the Act, to inquire into complaints and recommend appropriate action.

During the year, the Company has not received any complaint of sexual harassment.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy, to provide formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It provides for adequate safeguards against victimization of employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of the Company is available on the Company's website at web link : <http://smlisuzu.com/Financials/WhistleBlowerPolicy.aspx>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the 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;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Based on the work performed by the internal, statutory and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, the Directors are of the opinion that the Company has in place, adequate internal financial controls with reference to financial statements, commensurate with the size and nature of the business of the Company. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of the programme of familiarisation with the Company for independent Directors in respect of their roles, rights & responsibilities, nature of the industry in which Company operates, business model of the Company and related matters are put up on the website of the Company at web link <http://smlisuzu.com/Financials/FamiliarisationProgramme.aspx>.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s A. Arora & Co., a firm of Company Secretaries in practice, to undertake the Secretarial Audit of the Company for FY 2014-15.

The Secretarial Audit Report does not contain any qualification and is attached as **Annexure D**.

STATUTORY AUDITORS

B S R & Company, which was appointed statutory auditors of the Company, at the last Annual General Meeting held in September 2014, and which is a part of the network B S R Affiliates has expressed its inability to continue as statutory auditors of the Company after the ensuing Annual General Meeting of the Company. B S R & Associates LLP, which is a part of the same network, viz. B S R Affiliates, has expressed its willingness to be appointed as the statutory auditors of the Company after the ensuing Annual General Meeting of the Company.

As required under the provisions of Section 139(1) of the Companies Act, 2013 (the Act), the Company has received written consent from B S R & Associates LLP for its appointment and a certificate to the effect that its appointment, if made, would be in accordance with the Act and the Rules framed thereunder and that it satisfies the criteria provided in Section 141 of the Act.

The notes on Financial Statements referred to in the Auditor's Report are self explanatory and do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in the Companies Act, 2013 is attached as **Annexure E**.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dated : 07 August 2015

S.K. TUTEJA
Chairman

EIICHI SETO
Managing Director & CEO

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY REVIEW

During fiscal 2014-15, with lowering interest rates & slowing inflation and policy reform initiatives announced by the new Government, there has been some improvement in business sentiment. Industrial production also gained some momentum. In contrast, domestic CV industry declined 2.8% with sales volume reaching 615,000 against 2013-14's 632,900. However, exports grew 11.3% to reach 85,800 vehicles. Based on expected improvement in economic fundamentals, during fiscal 2015-16, SIAM has projected a growth of 13-15% in medium and heavy vehicles and 3-5% in light commercial vehicles. Company's outlook for the fiscal 2015-16 has been covered in the Directors Report under the head 'Current Business Environment'.

2. COMPANY PERFORMANCE

The Company sold 11759 vehicles during fiscal 2014-15 against 9760 in the previous fiscal. Net Revenue for 2014-15, therefore, increased to Rs. 1,114.3 crore from Rs. 886.0 crores in the preceding year, as detailed below:

	(Rs. In Crores)	
	2014-15	2013-14
On sale of Vehicles	1,037.8	811.0
On sale of Spare Parts etc.	76.5	75.0
Total Net Revenue	1,114.3	886.0

Material cost at 72.7 % of net revenue is lower against previous year's 75.4% mainly due to higher realization per vehicle and favorable product mix.

Employee Cost at Rs. 120.1 crores (Rs. 94.0 crores) represents 10.8% (10.6 %) of net revenue. Substantial increase in number over previous fiscal year is on account of the impact of 4-year wage revision concluded during the year w.e.f 1st April, 2014.

Marketing costs were higher at Rs. 61.4 crores (Rs. 47.3 crores) due to increase in sales volume. Other operating & administrative expenses were Rs. 44.2 crores (Rs. 40.7 crores).

Pursuant to Companies Act, 2013 ("the Act") effective from 1st April, 2014, the Company has revised depreciation rates on certain fixed assets as per the useful life specified in Part "C" of Schedule II of the Act or as per the management's estimate based on internal technical evaluation. As a result of this change, the depreciation charge for year ended 31st March 2015 is higher by Rs. 5.80 crores - Rs. 19.8 crores against Rs. 12.8 crores in the previous fiscal.

With increase in volumes, better per vehicle realization, favorable product mix and control over costs, operating profit reached Rs. 74.3 crores against Rs. 36.4 crores. Interest Income (net) of Rs 0.6 crores against previous year expense of Rs. 4.9 crores reflect better management of working capital and cash flows.

As a result of above, Profit before tax rose to Rs. 48.7 crores against previous fiscal's Rs. 17.7 crores.

Profit after tax at Rs. 36.9 crores (Rs. 17.4 crores) translates to an earning of Rs. 25.53 per share (Rs. 12.02 per share).

Outgo on dividend account inclusive of tax at Rs. 10.5 crores would translate to a payout ratio of 28.3% (29.2%).

Net worth of the Company as on 31st March, 2015 rose to Rs. 302.9 crores (Rs. 276.4 crores) comprising of equity component of Rs. 14.5 crores (Rs. 14.5 crores) and reserves Rs. 288.4 crores (Rs. 261.9 crores).

Year-end borrowings from banks were Rs. 22.3 crores (Rs. Nil) and Cash & Bank Balances (including Fixed Deposits with Banks) were Rs. 87.7 crores.

Year-end trade receivables were at Rs. 104.4 crores (Rs 81.8 crores) and trade payables were Rs. 200.3 crores (Rs. 164.1 crores).

Fixed assets stood at Rs. 164.5 crores (Rs. 151.9 crores).

3. INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company conducts its affairs within the framework of well-defined business plans which have provided appropriate guidance and direction to its employees. Annual Business Plan for each fiscal year is formulated on the basis of well-defined processes and is approved by the Board of Directors. Finance & Accounts function is adequately staffed by professionally qualified and experienced personnel. The reporting and monitoring system is elaborate and the same is reviewed at the meetings of the Audit Committee and the Board while considering quarterly business performance. Business projections are revised in relation to market expectations and management action taken to offset adverse changes to the extent possible. Policies and procedures have been laid down to provide reasonable assurance that assets are safeguarded from risks of un-authorized use/disposition and transactions are recorded and reported with propriety, accuracy and speed. These aspects of operations are regularly reviewed and verified by Company's Internal Audit department and by the Company's Statutory Auditors. Significant observations of these Auditors are subsequently submitted to the Audit Committee of the Board for consideration and guidance.

4. HUMAN RESOURCES

The Company has always strived to attract the best talent, provide invigorative work environment, retain achievers and out-performers and inculcate in the employees loyalty for the organization. Raising employees' involvement in the decision making process and grooming them for leadership positions has been an ongoing process.

Industrial relations and work atmosphere remained cordial throughout the year with sustained communication and engagement with workforce through various forums. Employees' strength as on 31st March, 2015 was 991.

5. OPPORTUNITIES AND THREATS

Most economists believe that the Indian economy is set for sustained growth in coming years. Any significant upturn in industry volumes leads to improvement in sales turnover and in turn profitability of the manufacturers. Restart in mining activity is expected to stimulate tipper sales. Moreover, lower oil and other commodity prices will continue to benefit the Indian economy leading to higher demand for commercial vehicles and cost savings. The Company has adequate production capacity to meet expected surge in demand for commercial vehicles.

Besides increasing intensity of competition, both from domestic & international players, enforcement of safety / emission regulations will cause enhancement in costs and the products would need re-adjustment to retain competitiveness.

6. BUSINESS RISKS AND CONCERNS

The demand for commercial vehicles is influenced by general economic conditions, including among other things, rates of economic growth, availability of credit, interest rates, environmental and tax policies, safety regulations, freight rates, fuel and commodity prices. Unfavorable trends in any of these factors pose a concern for the industry.

Any increase in material prices and transportation costs impacts the input costs. Impending legislation of emission / safety norms such as Bharat Stage IV norms, bus body code & anti-lock braking system will continue to put pressure on improving the technology level resulting in the need for additional investments and higher production costs. Bharat Stage IV norms are now applicable in 63 cities and more areas are expected to be brought under BS IV Norms during this year. Revision in selling prices may not be commensurate with such increase in costs in view of competitive operating environment and customers' resistance.

Up-gradation of R&D infrastructure, introduction of new products / variants, improvement / up-gradation of existing products to meet market and regulatory requirements, enhancing dealer network, cost cutting are some of the major initiatives and concrete steps taken by the Company to minimize its vulnerability to business risks.

Your Company has a Risk Management Committee of the Board which is entrusted with the functions of determining efficacy of the risk management framework of the Company including the mitigation measures taken by the management.

7. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

CORPORATE GOVERNANCE REPORT

The Company practices principles of good corporate governance, disclosure and transparency giving high priority to core values and ethics. It considers itself custodian and trustee for all its stake-holders. It seeks corporate excellence by offering quality vehicles and service to customers, fostering team spirit amongst employees by continuous involvement and participation in decision making processes placing high emphasis on their integrity and loyalty to the Company.

COMPOSITION OF THE BOARD

The composition of the Board conforms to the Listing Agreements with five independent Directors, including the Chairman, and a lady Director, three whole-time Directors and four non-executive from the Promoter group, Sumitomo Corporation of Japan. Another non-executive director is from Isuzu Motors, Japan, the Company's technical partners. All the non-executive Directors are qualified professionals with expertise in their own fields and have knowledge and experience in business and administration. No Directors are inter-se related to each other.

All independent Directors, appointed in accordance with the Companies Act, 2013 and the Listing Agreements, were issued formal letters of appointment and details are disclosed on the Company's website. All the independent Directors have declared that they meet the criteria of 'independence' set out in the Listing Agreements and the Companies Act, 2013.

The Managing Director & CEO and the two whole-time Directors are all professionals, and the Managing Director has been an employee of the Company's Promoter group and Director R&D, an employee of Isuzu Motors.

The Board periodically reviews and approves overall strategy, gives guidelines and directions to and oversees the functioning of the Management to ensure that the objectives of the Company are met and its core values sustained.

MEETINGS OF THE BOARD

Annual calendar of Board meetings is agreed at the beginning of the year as is, generally, the regular Committee meetings. Detailed agenda is sent to each Director or Committee member prior to a meeting, including, as appropriate, operating and financial performance of the Company. The Board reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, quarterly/half-yearly/annual accounts and results, compliance reports of all laws applicable to the Company and minutes of meetings of the Committees of the Board and other significant developments.

INFORMATION ON MEETINGS, ATTENDANCE AND MEMBERSHIP

During the Year the Company held 5 Board Meetings and the gap between no two meetings exceeded 120 days. Board Meeting were held on 9th May, 2014, 8th August, 2014, 5th November, 2014, 6th February, 2015 and 27th March, 2015.

The details are set out below:

Name of Director (DIN No.)	Category	Board Meetings during 2014-15		Attendance at the AGM held on 22.09.2014	Directorships in other Companies* (as on 31.03.2015)		No. of Committee# Positions in Mandatory Companies including SML ISUZU LIMITED (As on 31.03.2015)	
		Meetings Held	Meetings Attended		Public	Private	Chairman	Member
Mr. Surender Kumar Tuteja Chairman (00594076)	Independent Non-Executive	5	5	Yes	9	5	5	5
Mr. Pramod Kumar Nanda (00751931)	Independent Non-Executive	5	5	No	1	-	1	1
Mr. Ashish Kumar Thakur (00031778)	Independent Non-Executive	5	5	Yes	3	-	-	4
Mr. Sudhir Nayar (00200415)	Independent Non-Executive	5	5	Yes	-	-	-	1

Name of Director (DIN No.)	Category	Board Meetings during 2014-15		Attendance at the AGM held on 22.09.2014	Directorships in other Companies* (as on 31.03.2015)		No. of Committee# Positions in Mandatory Companies including SML ISUZU LIMITED (As on 31.03.2015)	
		Meetings Held	Meetings Attended		Public	Private	Chairman	Member
Dr. (Mrs.) Vasantha S. Bharucha (02163753) (appointed w.e.f 22.09.2014)	Independent Non-Executive	3	3	NA	2	-	-	1
Mr. Masaki Nakajima (06605180)	Non-Executive	5	4	Yes	-	-	-	-
Mr. Kyoichiro Takashima (06604412)	Non-Executive	5	5	No	-	3	-	-
Mr. Masahiro Narikiyo (07125220) (appointed as Additional Director w.e.f.27.03.2015)	Non-Executive	1	1	NA	-	2	-	-
Mr. Pankaj Bajaj (00337925)	Non-Executive	5	5	No	-	1	-	-
Mr. Hiroshi Omino (06755944) (ceased w.e.f. 07.08.2015)	Non-Executive	5	3	No	-	-	-	-
Mr. Kimitoshi Kurokawa (07242673) (appointed as Additional Director w.e.f. 07.08.2015)	Non-Executive	NA	NA	NA	NA	NA	NA	NA
Mr. Eiichi Seto (02704734) Managing Director & CEO	Executive	5	5	Yes	-	-	-	1
Mr. Gopal Bansal (06836592) Whole-time Director & CFO	Executive	5	5	Yes	-	-	-	2
Mr. Kei Katayama (06942162) Director – R&D (appointed w.e.f. 08.08.2014)	Executive	4	4	Yes	-	-	-	-
Mr. Yuji Kosaka (06442605) Director – R&D (ceased w.e.f. 18.06.2014)	Executive	1	1	NA	NA	NA	NA	NA
Mr. Katsuya Okihiro (05115075) (ceased w.e.f. 27.03.2015)	Non-Executive	4	3	No	NA	NA	NA	NA

* Excludes Directorships in Associates, Foreign Companies, Government Bodies and Companies registered under section 8 of the Companies Act, 2013.

Only Audit Committee and Stakeholder Relationship Committee of Indian Public Companies have been considered for Committee positions.

(a) None of the Directors is a member of more than 10 committees and chairman of more than 5 committees (as specified in the Listing Agreements), across all the companies in which he is a Director.

(b) The Senior Management personnel have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which would have potential conflict of interest with the Company at large.

(c) None of the Directors is shareholder of the Company.

(d) None of the independent Directors is an independent Director in more than 7 listed companies and whole-time Director in any listed Company.

CODE OF CONDUCT

The Board has laid down a well-defined Code of Ethics & Conduct (the "Code") to be followed by Board members and senior employees of the Company for ethical professional conduct. Duties of independent Directors as specified under Companies Act, 2013 have been incorporated in the code.

The Code is available on the website of the Company (www.smlisuzu.com). In accordance with the Listing Agreements all Directors and senior management personnel have affirmed compliance with this Code. A declaration signed by the Managing Director & CEO to this effect is enclosed to this report.

CEO/CFO CERTIFICATION

As required under the Listing Agreements the Managing Director & CEO and Whole-time Director & CFO have certified to the Board regarding Financial Statements for the year ended 31st March, 2015.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of independent Directors only was held in accordance with the Companies Act and the Listing Agreements, to review performance of non independent Directors, the Chairman and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management and the Board. All independent Directors attended the meeting.

COMMITTIES OF THE BOARD

Audit Committee

The Audit Committee, all members of which possess vast experience in and knowledge of corporate affairs and finance, held four meetings on 8th May, 2014; 7th August 2014; 4th November 2014 and 5th February, 2015 with necessary quorum present of two or one third of members.

The Committee also met on 7th May, 2015 prior to the finalization of the Accounts for the FY 2014-15.

The Composition of Audit Committee and the details of meetings attended by the members during the year are given below:

Name of the Member	Category	No. of meetings attended during 2014-15
Mr. P. K. Nanda, Chairman*	Independent, Non-Executive	4
Mr. A. K. Thakur	Independent, Non-Executive	4
Mr. Sudhir Nayar	Independent, Non-Executive	4
Mr. Gopal Bansal	Executive (Whole-time Director & CFO)	4

* The Chairman of the Audit Committee could not attend the Annual General Meeting held on 22nd September, 2014 due to health reasons. He requested Mr. A.K.Thakur, who is independent Director and a member of the Audit Committee to attend the Annual General Meeting. Accordingly, Mr. Thakur was available at the Annual General Meeting to answer shareholder queries.

Audit Committee meetings are usually attended by the Managing Director & CEO, the Head of Internal Audit, the Company Secretary and a representative of Statutory Auditors. Senior Executives are also invited to participate in the deliberations as appropriate.

Terms of reference of the Audit Committee inter alia include:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Review with the management, the annual and quarterly financial statements and auditor's report thereon before submission to the Board for approval;
- Review with the management, statutory and internal auditors, adequacy of the internal control systems;
- Evaluation of internal financial controls and risk management systems;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Discussion with statutory auditors the nature and scope of audit as well as post-audit areas of concern;
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process;

- Review adequacy of internal audit function including structure of the internal audit department, staffing and seniority of the official heading the function, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditor of any significant findings and follow up thereof;
- Review findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Approval (or any subsequent modification) of transactions of the Company with related parties;
- Review functioning of the Whistle Blower mechanism;

Stakeholders Relationship Committee

In May, 2014, the Shareholder/Investor Committee was reconstituted as "Stakeholders Relationship Committee" to comply with the Companies Act, 2013 and the Listing Agreements. Terms of Reference of the Committee are as follows:

- Consider and resolve grievances of the shareholders of the Company including complaints related to transfer of shares, non receipt of Annual Report, non receipt of declared dividends, etc.
- Issue of duplicate share certificates and such other functions as may be stipulated under the Listing Agreements and the Companies Act, 2013.

The Committee meets at frequent intervals to review status of investors' grievances and the functioning of the Registrar and Transfer Agents to render effective and quality services to investors. During the financial year ended 31st March, 2015, 21 meetings of the committee were held.

The composition of the committee and the details of meetings attended by the members during the year are given below:

Name of the Member	Category	No. of meetings attended during 2014-15
Mr. S.K. Tuteja, Chairman	Independent, Non-Executive	21
Mr. Eiichi Seto	Executive (Managing Director & CEO)	12
Mr. Gopal Bansal	Executive (Whole-time Director & CFO)	19

Mr. Parvesh Madan, Company Secretary, is the Compliance Officer of the Company.

The Company received 245 enquiries/requests from shareholders which inter-alia included non-receipt of dividend, annual reports, transfer of shares, etc. The complaints were duly attended to and the Company has furnished necessary documents / information to the shareholders. As of date, there are no pending share transfers pertaining to the year under review.

During 2014-15, one complaint received from a shareholder was duly resolved.

Nomination & Remuneration Committee

In May, 2014, this Committee was reconstituted as "Nomination & Remuneration Committee" (earlier known as Remuneration Committee) in compliance with the requirements of the Companies Act, 2013. Terms of Reference of the Committee are as follows:

- Identify persons who may be appointed Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Evaluation of performance of Directors including independent Directors and the Board.
- Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees.

The Composition of the Nomination and Remuneration Committee and the details of Meetings attended by the members during the year are given below:

Name of the Member	Category	No. of meetings attended during 2014-15
Mr. P. K. Nanda, Chairman	Independent, Non-Executive	3
Mr. S. K. Tuteja	Independent, Non-Executive	3
Mr. M. Nakajima	Non-Executive	3

During the year, three meetings were held on 8th August, 2014, 6th February, 2015 and 27th March, 2015.

Remuneration Policy:

The Company has adopted a remuneration policy for Directors, KMP and other employees, in accordance with the provisions of the Act and Listing Agreements. Details on the remuneration policy are in the Directors Report.

Remuneration of Directors

Remuneration paid to the Whole-time Directors is decided by the Board on the recommendation of the Nomination & Remuneration Committee and approved by the shareholders at the Annual General Meeting. Non-Executive independent Directors are paid sitting fee of Rs. 30,000/- per meeting (increased from Rs.20000/- with effect from 8th August, 2014) for attendance at Board meetings and Committees thereof within the prescribed limits as decided by the Board and reimbursement of expenses incurred for attending such meetings.

At the AGM held in July 2012, the shareholders had approved payment of commission to independent Directors at Rs. 6,00,000 per annum upto FY 2015-16 subject to limits prescribed under the Companies Act.

Following are the details of Directors remuneration paid in 2014-15.

								(Amount in Rs.)
Name of Director	Salary (Basic & DA)	Allowances (including HRA, Leave Trave & Special Allowances)	Commission for the FY 2013-14	Contribution to Provident & other Funds	Other Perqui-sites	Stock Option	Total	Service Contract (Tenure)
Eiichi Seto Managing Director & CEO	6,300,000	-	553,238	756,000	1,377,747	-	8,986,985	Upto 25.12.2018
Yutaka Watanabe Managing Director & CEO	-	-	1,550,219	-	-	-	1,550,219	Ceased w.e.f. 25.12.2013
Gopal Bansal Whole-time Director & CFO	6,000,000	4,700,000	282,382	1,895,839	157,927	-	13,036,148	Upto 10.02.2019
Kei Katayama* Director - R&D	3,686,000	-	-	442,320	1,001,024	-	5,129,344	Upto 07.08.2017
Yuji Kosaka Director - R&D	988,000	-	-	118,560	264,048	-	1,370,608	Ceased w.e.f. 18.06.2014

* appointed w.e.f. 8th August, 2014

Note: No notice period and severance fee is payable to any Director

Non-Executive Independent Directors

Name of Director	Sitting Fees (Rs.)	Commission (Rs.)
Mr. S.K. Tuteja	920,000	600,000
Mr. A.K. Thakur	300,000	600,000
Mr. P.K. Nanda	380,000	600,000
Mr. Sudhir Nayar	300,000	300,000
Dr. (Mrs.) Vasantha S. Bharucha*	90,000	NA

*appointed w.e.f. 22nd September, 2014

Executive Committee

The Committee was set up by the Board to periodically monitor the Company's performance, long-term financial projections, Capex and matters connected with Divisional performance.

The composition of the Executive Committee of the Board and the details of meetings attended by the members during the year are given below:

Name of the Member	Category	No. of meetings attended during 2014-15
Directors		
Mr. S.K. Tuteja, Chairman	Independent, Non-Executive	3
Mr. Eiichi Seto	Executive (Managing Director & CEO)	3
Mr. Gopal Bansal	Executive (Whole-time Director & CFO)	3
Mr. Yuji Kosaka*	Executive (Director - R&D)	1
Senior Management		
Mr. K.S. Dhody	Executive Director - Works	3
Mr. K.B. Prasad	Executive Director - Marketing	2
Mr. T. Otsubo	Sr. Vice President - Marketing	3

*ceased to be Director w.e.f. 18th June, 2014.

During the year, three meetings were held on 6th June, 2014, 2nd August, 2014 and 11th December, 2014.

The Board of Directors, at its meeting held on 7th August 2015, has decided to dissolve this Committee.

Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013.

The role of the CSR Committee, inter alia, is to:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the CSR Policy of the Company from time to time and for this purpose institute a transparent monitoring mechanism

The Board has adopted a Company Policy on CSR recommended by the Committee and is on the website of the Company. The annual report on CSR activities for the year 2014-15 forms a part of Directors Report.

The composition of the CSR Committee and details of meetings attended by the members during the year are given below :

Name of the Member	Category	No. of meetings attended during 2014-15
Mr. S.K.Tuteja, Chairman	Independent, Non-Executive	3
Dr. (Mrs.) Vasantha S. Bharucha*	Independent, Non-Executive	NA
Mr. Eiichi Seto	Executive (Managing Director & CEO)	3
Mr. Gopal Bansal	Executive (Whole-time Director & CFO)	3

*appointed w.e.f 8th May, 2015

During the year three meetings were held on 13th May, 2014, 29th October, 2014 and 21st February, 2015.

Risk Management Committee

The Board has constituted a Risk Management Committee with effect from 9th May, 2014.

The Committee is entrusted with the functions of overseeing the efficacy of risk management framework of the Company, including mitigation measures taken by management, advising thereon and appropriately reporting to the Board.

The composition of the Risk Management Committee and the details of meetings attended by the members during the year are given below:

Name of the Member	Category	No. of meetings attended during 2014-15
Mr. P.K. Nanda, Chairman	Independent, Non-Executive	2
Mr. A.K. Thakur	Independent, Non-Executive	2
Mr. Sudhir Nayar	Independent, Non-Executive	2
Mr. Pankaj Bajaj*	Non Executive	NA
Mr. Gopal Bansal	Executive (Whole-time Director & CFO)	2

* appointed w.e.f. 27th March, 2015.

During the year, two meetings were held on 5th November, 2014 and 5th February, 2015.

DISCLOSURES

1. Details of General Meetings

(i) Annual General Meetings :-

Financial Year	Date	Time	Venue	Special Resolutions passed
2011-12	18.07.2012	1:00PM	Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab	To approve payment of commission to independent Directors
2012-13	21.09.2013	1:00PM	Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab	Nil
2013-14	22.09.2014	1:00PM	Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab	<ol style="list-style-type: none"> 1. Amendment in Article 86 & 117 of Articles of Association 2. Appointment of Mr. Eiichi Seto as Managing Director & CEO 3. Appointment of Mr. Gopal Bansal as Whole-time Director designated as Whole-time Director & CFO 4. Appointment of Mr. Kei Katayama as Whole -time Director designated as Director-R&D 5. Authority to the Board of Directors for borrowing money upto Rs.500 crores 6. Authority to the Board of Directors to create Mortgage/charge on all or any of the immovable properties of the Company to secure the term loans/working capital facilities upto a sum of Rs.500 crores

Pursuant to the provisions of Section 110 of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through postal ballot.

(ii) Extraordinary General Meeting:

No extraordinary general meeting of the member was held during 2014-15.

2. Transactions with related parties

The Company had adopted a Policy to deal with related party transactions and there were no material related party transactions made by the company during the year that would have required shareholders approval under the Listing Agreements. The Company has not entered into any transaction of material nature that may have any potential conflict with the interest of the Company. Details of transactions with related parties are provided in the accompanying financial statements.

3. Details of non-compliance

There has neither been any non-compliance of any legal provision of applicable law nor any penalty, stricture imposed by the Stock Exchanges or SEBI or any other authorities, on any matters related to capital market during the last three years.

4. Whistle Blower Policy

The Company has adopted a whistle blower policy, to provide formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. It provides for adequate safeguards against victimization of employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee. No instance has been reported when any person was denied access to the Audit Committee.

5. Code for prevention of Insider Trading Practices

In compliance with SEBI's Regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading. The Code lays down guidelines and procedures to be followed and disclosures to be made, by Designated Persons, while dealing with shares of the Company and cautioning all concerned of the consequences of violations.

6. Accounting Treatment

In preparation of the Financial Statements, the Company has followed the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts), Rules 2014 to the extent applicable, as adopted consistently by the Company. The significant accounting policies which are consistently applied are set out under Note 3 of the Financial Statements for the year ended 31st March, 2015.

7. Means of Communication

In compliance with the requirements of Listing Agreements, quarterly, half-yearly and annual financial results are filed with the Stock Exchanges immediately after they are taken on record by the Board, published in Newspapers (Financial Express/Indian Express and Punjabi Tribune, etc.) and are also displayed on the website of the Company (www.smlisuzu.com).

- (a) Results are not sent individually to the shareholders;
- (b) The official news releases are displayed on the Company's website;
- (c) During the year ended 31st March, 2015, no presentations were made to institutional investors or analysts.

8. Management Discussion and Analysis Report

Management Discussion and Analysis Report has been attached to Directors Report and forms part of this Annual Report.

9. Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under clause 49 of the listing agreement with the Stock Exchanges.

10. Adoption of non-mandatory requirements**i) The Board**

The Company does not maintain the office of the Non-Executive Chairman.

ii) Shareholder Rights

The Company regularly publishes its quarterly and annual results in the leading national / regional newspapers as required by the Listing Agreements. These results are also available on the Company's website (www.smlisuzu.com).

iii) Audit Qualifications

For the financial year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

iv) Separate Posts of Chairman and CEO

The Post of the Non-Executive Chairman of the Board is separate from that of the Managing Director & CEO.

The Company has not adopted the other non-mandatory requirements as specified in Annexure XIII of Clause 49 of the Listing Agreements.

SHAREHOLDERS' INFORMATION

1. Annual General Meeting

Date : 24th September, 2015 (Thursday)
 Time : 1:30 P.M.
 Venue : SML Isuzu Limited
 Village Asron, Distt. Shahid Bhagat Singh Nagar, (Nawanshahr),
 Punjab-144 533

2. Financial Calendar (tentative)

The Financial year covers the period from 1st April to 31st March

Quarter ended 30th June, 2015 Taken on record on 7th August, 2015
 Quarter ending 30th Sept., 2015 1st/2nd week of November, 2015
 Quarter ending 31st Dec, 2015 1st/2nd week of February, 2016
 Year ending 31st March, 2016 May, 2016

3. **Book Closure** : 29th August, 2015 to 4th September, 2015 (both days inclusive)

4. **Dividend Payment** : On or after 25th September, 2015 but within the Statutory time limit.

5. **Listing on Stock Exchanges** : BSE Limited (BSE)
 National Stock Exchange of India Limited (NSE)
 Listing fee for FY 2015-16 for both these stock exchanges has been paid.

6. **Stock Code** : **BSE -505192 NSE - SMLISUZU**

7. **CIN** : L50101PB1983PLC005516

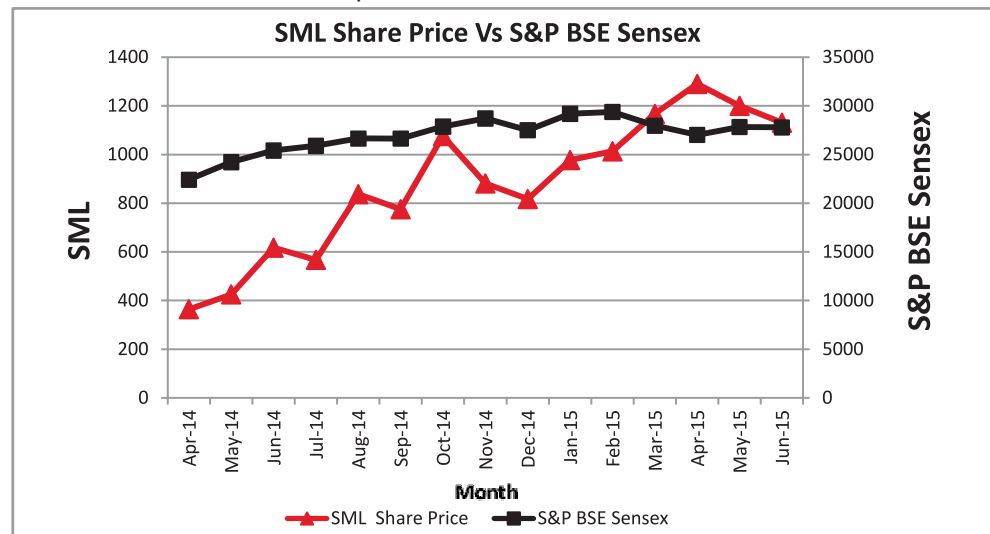
8. Stock Market Data

Month wise high and low price for one equity share of Rs.10 at BSE & NSE is given below:

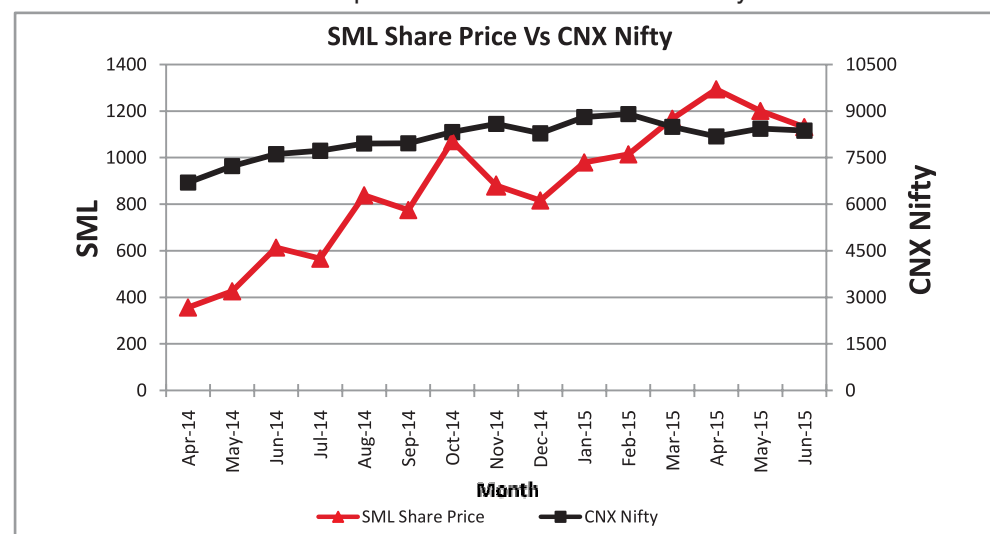
Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2014				
April	381	290	383	302
May	472	330	473	332
June	635	417	636	410
July	690	562	696	563
August	842	557	839	558
September	879	760	880	750
October	1119	755	1117	751
November	1095	835	1097	836
December	930	775	928	775
2015				
January	1049	822	1045	822
February	1145	872	1142	875
March	1279	992	1284	992
April	1670	1133	1671	1120
May	1374	1140	1378	1144
June	1254	1035	1254	1040

9. Stock Price Performance

SML ISUZU Ltd. Share Price performance relative to S&P BSE Sensex



SML ISUZU Ltd. Share Price performance relative to CNX Nifty



Note: Above comparison is based on the month end closing share price of SML Isuzu Limited and BSE / NSE Index.

10. Dematerialisation and Liquidity of Shares:

The trading in Equity shares of SML ISUZU Limited is permitted only in dematerialized form. The Company has joined National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) to avail this facility. As on 30th June, 2015, 96.32% of the Company's shares are held in electronic form.

International Securities Identifications Number: INE294B01019 (with NSDL and CDSL)

For Shares held in electronic form, all instructions regarding change of address, nomination, power of attorney etc., should be given directly to their Depository Participants and the Company will not entertain any such requests directly from shareholders.

11. Transfer System for physical shares:

Share transfers are being registered & returned within the stipulated timeline from the date of receipt, if the documents are clear in all respect.

Total No. of shares transferred during 2014-15 were 5500 (Previous Year 2800)

Income Tax PAN mandatory for Transfer / Transmission / Deletion / Transposition of securities held in physical form.

12. Registrar and Transfer Agents

M/s MCS Limited

Sri Venkatesh Bhavan,

F - 65, Okhla Industrial Area,

Phase - I, New Delhi - 110020

Contact person : Mr. Priya Darshan Walia

Tele: 011-41404149

Fax: 011-41709881

Email address :admin@mcsdel.com

Share Transfer & other Communication regarding Share Certificates, Dividends and Change of address etc. may be addressed to Registrar, M/s MCS Limited or to the share Department of the Company at SCO: 204-205, Sector-34 A, Chandigarh-160135.

13. Shareholding Pattern as on 30 June, 2015

Category	No. of Share-holders	Voting Strength %	No. of Shares held
Promoters	1	43.96	6,362,306
Foreign Company	1	15.00	2,170,747
Insurance company	2	5.14	744,308
Mutual Funds & UTI	24	9.89	1,431,808
FI/Banks	2	0.07	9,343
Other Bodies Corporate	715	6.35	918,322
FII's/NRI's	984	2.36	341,954
Individuals	16446	17.23	2,492,858
TOTAL	18175	100.00	14,471,646

14. Distribution of Shareholding as on 30 June, 2015

No. of Equity Shares held	No. of Share-holders	No. of Shares	%age of Share-holding
1-500	17,298	1,385,654	9.57
501-1000	427	334,543	2.31
1001-2000	207	310,828	2.15
2001-3000	77	195,976	1.35
3001-4000	27	97,909	0.68
4001-5000	30	143,067	0.99
5001-10000	61	430,636	2.98
10001-50000	35	795,159	5.49
50001-100000	2	114,437	0.79
100000 above	11	10,663,437	73.69
TOTAL	18,175	14,471,646	100.00

15. The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

16. **Plant Location :** SML Isuzu Limited

Registered Office & Works : Village Asron,

Distt. Shahid Bhagat Singh Nagar, (Nawanshahr),

Punjab - 144 533

17. **Address for correspondence (for Investor queries etc.)**

Registrar and Share Transfer Agents

M/s MCS Ltd.

Unit : SML Isuzu Limited

Sri Venkatesh Bhavan, F-65, 1st Floor

Okhla Industrial Area, Phase-1

New Delhi-110 020

Phone : 011-41406149

Fax : 011-41709881

Email : admin@mcsdel.com

Compliance Officer & Company Secretary

Mr. Parvesh Madan

SML Isuzu Limited

SCO: 204-205

Sector 34 - A

Chandigarh - 160 135

Tele : 0172-2647700-10

Fax : 0172-2615111

Email : pmadan@smlisuzu.com

investors@smlisuzu.com

18. **Website Address :** www.smlisuzu.com

ANNEXURE A TO DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

Introduction

Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreements, together with Guiding Principles set out therein, require the Nomination and Remuneration Committee ('NRC') to recommend to the Board a policy in respect of selection, appointment, performance evaluation and removal of Independent Directors and other Directors, including whole time directors, Key Management Personnel ('KMP') and other senior management, and a policy of remuneration to them.

Accordingly, as proposed by the NRC and in order to formalise the Company's current and ongoing policy and practices for the above mentioned objectives in a more structured manner, the Board sets out a policy framework as under.

General

The composition of the Board of Directors, the appointment of Directors, their number, duration of appointment, their remuneration and their removal, where appropriate, will always be in accordance with the Companies Act and any other applicable law, the Listing Agreements and the Memorandum & Articles of Association.

The Company will continue its policy of non-discrimination on grounds of race, ethnicity, language, and religion or caste in appointment, promotion and remuneration of employees.

NRC will monitor the policy and processes as set out herein on behalf of the Board.

Composition of the Board

The Board is composed of independent Directors and other Directors, both men and women, with diverse experience in different industries and professions, both in India and other countries, Managing Director and whole time directors holding executive positions in the Company with relevant expertise and experience. The process of appointment is transparent backed by appropriate documentation.

Independent Directors

The law and good governance requires the Company to appoint a third of its members of the Board (as defined in the Companies Act) to be independent.

Principal criteria for selecting an independent director are that he/she:

- must have considerable experience at senior levels in business, industry, professions, government or industry/ finance related institutions in India and/or other countries;
- has no conflict of interest, including any material or pecuniary interest, except for remuneration received as approved by law and/or shareholders;
- has the ability to evaluate and advise on strategy and business of the Company;
- has the ability to challenge and evaluate performance of the management, financial performance, and risks in the business;
- has the ability to relate and advise on the effects of macro level economic, industrial and political environment and developments, including government policies, on the Company's affairs and management of its business.

The remuneration of Independent Directors, which may include sitting fees and commission on profit, is determined by the Board on recommendation of NRC and is subject to shareholders' approval and as required by law.

The maximum term of appointment of an Independent Director is determined by law and as approved by the Shareholders.

Performance of an Independent Director is evaluated annually by the NRC and the Board, excluding the director being evaluated, according to the evaluation criteria set by the Board.

An Independent Director may be removed from the Board by a majority decision by its members for sufficient reasons which may include a conflict of interest, lack of attendance at meetings of the Board and its Committees and inadequate performance at such meetings as evaluated by the Board annually or otherwise.

Performance evaluation for an Independent Director is principally based on the following factors:

1. Attendance at meetings of the Board, Committees of which he / she is a member and of Shareholders;
2. Compliance with the Code of Conduct;
3. Constructive participation in the proceedings of the Board and Committees;
4. Evaluation and advice relating to the Company's performance, both financial and commercial;
5. Awareness of the Company's operations and organisation, applicable corporate and other major laws and regulations, fiduciary responsibilities, and matters relating to Stock Exchanges, SEBI and corporate governance generally;
6. Adherence to independence, no-conflict of interest and protection of interests of stakeholders.

Other Directors

The Board may invite any person to join as member who may not qualify as Independent Director and is not an employee of the Company. For the sake of clarity and only for this policy framework such director is referred herein as 'non-executive director' (NED).

The criteria of selection of NED may include, among others, expertise or specialized knowledge in one or more areas of the Company's activities, knowledge of similar or related activities gained in the business of the promoter, technology provider or other business associate.

The duration of the term of appointment, remuneration and removal of NED is at the absolute discretion of the Board, but always according to law and the Listing Agreement, and under no circumstance can the remuneration to a NED exceed that of any Independent Director.

Performance of a NED is evaluated annually by the NRC and the Board, excluding the director being evaluated, according to the evaluation criteria set by the Board.

Performance evaluation for a NED is principally based on the same factors as for Independent Directors and, in addition, on his/her contribution in respect of the specific areas of expertise and knowledge where applicable.

Remuneration of NED, where payable, is recommended by NRC on a case by case basis.

Key Managerial Personnel ('KMP') and Senior Management

This group comprises:

1. Managing Director/Chief Executive Officer 'CEO'
2. Chief Financial Officer 'CFO'
3. Company Secretary
4. Senior Executives included in this Group by the Board from time to time, currently: Executive Directors responsible for, Marketing, Works, R&D, referred to herein as 'ED'

Managing Director

Appointment of the Managing Director / CEO is made by the Board on the recommendation of NRC.

Criteria for selection of Managing Director are knowledge of the business of the Company, experience in that business or any related business, leadership qualities, incisive understanding of the market, understanding socio-economic and political milieu

in which the Company operates and effects thereof on the Company's policies and operations, objective setting and implementation of such objectives, ability to interact with the Board, ability to communicate effectively with employees, shareholders and other stakeholders and other publics.

Remuneration of Managing Director is determined by the Board on recommendation of NRC and approved by Shareholders and / or Central Government as required by law. While recommending remuneration payable NRC will consider, inter alia the factors as set out below for evaluation of performance.

Evaluation criteria for CEO's performance are: development and implementation of the Company strategy, achievement of short and long term plans, overall financial performance of the Company, effectiveness of management controls and systems in the Company, demonstrated communication skills and continued assessment of the effectiveness of organization structure, and protection of the Company's wealth and good standing

Key Managerial Personnel and Senior Management

Whole-time Director

Selection, appointment and removal of KMP and Senior Management personnel is the responsibility of the Managing Director.

However, NRC in consultation with the Managing Director considers and recommends to the Board the appointment of a whole-time director from amongst the KMP and Senior Management.

Criteria for such selection and appointment as a director principally are:

- the need felt by the Board for expertise and experience of the individual to be available for Board deliberations as a member
- as a reward/promotion for specially good performance and contribution to the Company's business.

Remuneration of a whole time director is determined by the Board on recommendation of NRC and approved by Shareholders and / or Central Government as required by law. While recommending remuneration payable, NRC considers the remuneration structure for senior management and additional responsibilities as a member of the Board.

Performance evaluation of a whole time director is made by the Managing Director in respect of his executive/operational responsibilities and by NRC on his performance at the Board on criteria similar to that set out for NED.

Evaluation of KMP and Senior Management is made annually by the Managing Director, principally based on both quantitative and qualitative performance in their specific area of executive responsibility, financial and other objectives as set in annual business plans, effectiveness of their leadership, management of people reporting to them, implementation of systems and controls in their operations, their contribution in the deliberations of executive and management groups and positive interaction with other executives and employees.

The remuneration of these personnel is determined by the Managing Director in consonance with the Company's policy to give fair managerial compensation taking account of their performance and contribution to the Company's overall performance.

The Company's compensation policy provides for variable content related to performance in remuneration package for all managerial personnel.

NRC develops its process and forms/matrices for performance evaluation from time to time as it deems appropriate.

ANNEXURE B TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 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:

i)	CIN	L50101PB1983PLC005516
ii)	Registration Date	26.07.1983
iii)	Name of the Company	SML ISUZU LIMITED
iv)	Category/Sub-Category of the Company	Public Limited Company (Limited by Shares)
v)	Address of the Registered Office and Contact details	Village Asron, District Shahid Bhagat Singh Nagar (Nawanshahr), Punjab-144 533 Tel: 01881-270255 Fax: (91) 1881-270223
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Share Transfer Agents	M/s MCS Limited Sri Venkatesh Bhawan F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Tel: +91 11 41406149 Fax: +91 11 41709881

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:-

Sr.No.	Name and Description of main Products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Trucks	29102	24%
2	Bus	29109	64%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sumitomo Corporation, Japan, the Promoters, holds 43.96% shareholding of the Company but being a Corporation incorporated outside India, it is not an Associate Company under the applicable provisions of the Companies Act, 2013.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr. No.	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	%age of Total Shares	Demat	Physical	Total	%age of Total Shares	
(A)	Promoter									
(1)	Indian									
(a)	Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(e)	Banks/ FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	-	-	-	-	-	-	-	-	-
(2)	Foreign									
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies corp.	6362306	-	6362306	43.96	6362306	-	6362306	43.96	-
(d)	Banks/ FI	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	6362306	-	6362306	43.96	6362306	-	6362306	43.96	-
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	6362306	-	6362306	43.96	6362306	-	6362306	43.96	-
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds	2051787	1550	2053337	14.19	1749421	1550	1750971	12.10	-2.09
(b)	Banks/ FI	-	850	850	0.01	1534	850	2384	0.01	-
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	1077621	-	1077621	7.45	807891	-	807891	5.58	-1.87
(g)	FIs	10000	-	10000	0.07	110919	-	110919	0.77	0.70
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	3139408	2400	3141808	21.72	2669765	2400	2672165	18.46	-3.26

Sr. No.	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	%age of Total Shares	Demat	Physical	Total	%age of Total Shares	
(2)	Non-institutions									
(a)	Bodies Corp.									
(i)	Indian	563727	1901	565628	3.91	848582	1901	850483	5.88	1.97
(ii)	Overseas	2170747	–	2170747	15.00	2170747	–	2170747	15.00	–
(b)	Individuals									
(i)	Individuals shareholders holding nominal share capital upto Rs. 1 lakh	1059151	434749	1493900	10.32	1428820	423558	1852378	12.80	2.48
(ii)	Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	562080	–	562080	3.88	354370	–	354370	2.45	-1.43
(c)	Any Other									
(i)	Trust & Foundations	2	–	2	–	200	–	200	–	–
(ii)	Cooperative Societies	–	–	–	–	1000	–	1000	0.01	0.01
(iii)	Non Resident Individual	58625	116550	175175	1.21	96897	111100	207997	1.44	0.23
	Sub-Total (B)(2)	4414332	553200	4967532	34.32	4900616	536559	5437175	37.58	3.24
	Total Public Shareholding (B)= (B)(1)+(B)(2)	7553740	555600	8109340	56.04	7570381	538959	8109340	56.04	–
(C)	Shares held by custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
	GRAND TOTAL (A)+(B)+(C)	13916046	555600	14471646	100.00	13932687	538959	14471646	100.00	–

(ii) Shareholding of Promoters

Sr. No.	Shareholder's 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	
1	Sumitomo Corporation, Japan	6362306	43.96	–	6362306	43.96	–	43.96
	TOTAL	6362306	43.96	–	6362306	43.96	–	43.96

(iii) Change in Promoter's Shareholding

Sr. No.		Shareholding at the beginning of the year (as on 01.04.2014)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	6362306	43.96	6362306	43.96
2.	Date wise Increase / Decrease in Promoters Share holding during the year	Nil	Nil	Nil	Nil
3.	At the End of the year	6362306	43.96	6362306	43.96

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

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year (as on 01.04.2014)		Increase / (Decrease) in shareholding				Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date	Reason	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	ISUZU MOTORS LIMITED, JAPAN	2170747	15%	31.03.2015	At the end of year			2170747	15%
2.	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE TAX SAVER	832339	5.75%					832339	5.75%
				04.04.2014	Sale of shares	(22339)	0.16%	810000	5.59%
				25.04.2014	Sale of shares	(18000)	0.12%	792000	5.47%
				30.06.2014	Sale of shares	(9471)	0.06%	782529	5.40%
				04.07.2014	Sale of shares	(645)	0.00%	781884	5.40%
				11.07.2014	Sale of shares	(6621)	0.04%	775263	5.36%
				05.09.2014	Sale of shares	(27611)	0.19%	747652	5.17%
				12.09.2014	Sale of shares	(27652)	0.19%	720000	4.98%
				30.09.2014	Sale of shares	(21890)	0.16%	698110	4.82%
				10.10.2014	Sale of shares	(68110)	0.47%	630000	4.35%
				31.10.2014	Sale of shares	(76067)	0.52%	553933	3.83%
				14.11.2014	Sale of shares	(13933)	0.10%	540000	3.73%
				31.12.2014	Sale of shares	(15627)	0.11%	524373	3.62%
				30.01.2015	Sale of shares	(19087)	0.13%	505286	3.49%
				06.02.2015	Sale of shares	(1286)	0.01%	504000	3.48%
				27.02.2015	Sale of shares	(14306)	0.10%	489694	3.38%
				06.03.2015	Sale of shares	(16056)	0.11%	473638	3.27%
				31.03.2015	At the end of year			473638	3.27%

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year (as on 01.04.2014)		Increase / (Decrease) in shareholding				Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date	Reason	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	RELIANCE LIFE INSURANCE COMPANY LIMITED	698042	4.82%					698042	4.82%
				04.04.2014	Purchase of shares	5820	0.04%	703862	4.86%
				11.04.2014	Sale of shares	(1453)	0.01%	702409	4.85%
				18.04.2014	Sale of shares	(377)	0.00%	702032	4.85%
				25.04.2014	Sale of shares	(4473)	0.03%	697559	4.82%
				02.05.2014	Sale of shares	(5709)	0.04%	691850	4.78%
				09.05.2014	Sale of shares	(1569)	0.01%	690281	4.77%
				16.05.2014	Sale of shares	(312)	0.00%	689969	4.77%
				23.05.2014	Purchase of shares	7656	0.05%	697625	4.82%
				06.06.2014	Sale of shares	(2051)	0.01%	695574	4.81%
				17.06.2014	Sale of shares	(14518)	0.10%	681056	4.71%
				20.06.2014	Sale of shares	(8067)	0.06%	672989	4.65%
				30.06.2014	Sale of shares	(18630)	0.13%	654359	4.52%
				04.07.2014	Sale of Shares	(327)	0.00%	654032	4.52%
				11.07.2014	Sale of Shares	(1533)	0.01%	652499	4.51%
				18.07.2014	Sale of Shares	(467)	0.00%	652032	4.51%
				25.07.2014	Sale of Shares	(3551)	0.02%	648481	4.49%
				01.08.2014	Sale of Shares	(12459)	0.10%	636022	4.39%
				08.08.2014	Sale of Shares	(8967)	0.06%	627055	4.33%
				14.08.2014	Sale of Shares	(11643)	0.08%	615412	4.25%
				22.08.2014	Sale of Shares	(8793)	0.06%	606619	4.19%
				29.08.2014	Sale of Shares	(30787)	0.21%	575832	3.98%
				05.09.2014	Sale of Shares	(30451)	0.21%	545381	3.77%
				12.09.2014	Sale of Shares	(14023)	0.10%	531358	3.67%
				19.09.2014	Sale of Shares	(8232)	0.06%	523126	3.61%
				30.09.2014	Sale of Shares	(8640)	0.06%	514486	3.55%
				10.10.2014	Sale of Shares	(5690)	0.04%	508796	3.51%
				17.10.2014	Sale of Shares	(2294)	0.02%	506502	3.49%
				31.10.2014	Sale of Shares	(14014)	0.09%	492488	3.40%
				07.11.2014	Sale of Shares	(4295)	0.03%	488193	3.37%
				14.11.2014	Purchase of shares	5272	0.04%	493465	3.41%

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year (as on 01.04.2014)		Increase / (Decrease) in shareholding				Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date	Reason	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
				28.11.2014	Purchase of shares	795	0.00%	494260	3.41%
				12.12.2014	Purchase of shares	1951	0.01%	496211	3.42%
				19.12.2014	Sale of shares	(2738)	0.02%	493473	3.40%
				31.12.2014	Purchase of shares	8044	0.06%	501517	3.46%
				09.01.2015	Sale of shares	(31783)	0.22%	469734	3.24%
				16.01.2015	Sale of shares	(21396)	0.14%	448838	3.10%
				23.01.2015	Sale of shares	(18117)	0.13%	430221	2.97%
				06.02.2015	Sale of shares	(2871)	0.02%	427350	2.95%
				13.02.2015	Purchase of shares	9311	0.06%	436661	3.01%
				20.02.2015	Purchase of shares	2445	0.02%	439106	3.03%
				27.02.2015	Purchase of shares	1027	0.01%	440133	3.04%
				13.03.2015	Sale of shares	(13799)	0.09%	426334	2.95%
				20.03.2015	Sale of shares	(6005)	0.05%	420329	2.90%
				27.03.2015	Sale of shares	(2697)	0.02%	417632	2.88%
				31.03.2015	At the end of year			417632	2.88%
4.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD	379579	2.62%					379579	2.62%
				04.04.2014	Purchase of shares	5000	0.04%	384579	2.66%
				11.04.2014	Sale of shares	(10000)	0.07%	374579	2.59%
				20.06.2014	Sale of shares	(5220)	0.04%	369359	2.56%
				14.11.2014	Purchase of shares	20000	0.13%	389359	2.69%
				19.12.2014	Purchase of shares	5900	0.04%	395259	2.73%
				09.01.2015	Sale of shares	(5000)	0.03%	390259	2.70%
				31.03.2015	At the end of year			390259	2.70%
5.	UTI - EQUITY FUND	368234	2.54%					368234	2.54%
				04.04.2014	Purchase of shares	12492	0.09%	380726	2.63%
				11.04.2014	Purchase of shares	1490	0.01%	382216	2.64%
				31.03.2015	At the end of year			382216	2.64%
6.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS	140000	0.97%					140000	0.97%
				11.04.2014	Purchase of shares	11800	0.08%	151800	1.05%

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year (as on 01.04.2014)		Increase / (Decrease) in shareholding				Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date	Reason	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
				18.04.2014	Purchase of shares	3641	0.02%	155441	1.07%
				25.04.2014	Purchase of shares	28000	0.19%	183441	1.27%
				30.09.2014	Purchase of shares	20000	0.14%	203441	1.41%
				10.10.2014	Purchase of shares	6965	0.04%	210406	1.45%
				31.03.2015	At the end of year			210406	1.45%
7.	UTI-MID CAP FUND	144454	1.00%					144454	1.00%
				04.04.2014	Purchase of shares	9994	0.07%	154448	1.07%
				11.04.2014	Purchase of shares	2106	0.01%	156554	1.08%
				31.03.2015	At the end of year			156554	1.08%
8.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS	150000	1.04%					150000	1.04%
				25.04.2014	Purchase of shares	3715	0.02%	153715	1.06%
				10.10.2014	Purchase of shares	10000	0.07%	163715	1.13%
				13.03.2015	Sale of sharers	(10000)	0.07%	153715	1.06%
				27.03.2015	Sale of shares	(8715)	0.06%	145000	1.00%
				31.03.2015	At the end of year			145000	1.00%
9.	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN	144887	1.00%	31.03.2015	At the end of year			144887	1.00%
10.	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE REGULAR SAVINGS	124045	0.86%	31.03.2015	At the end of year			124045	0.86%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year (as on 01.04.2014)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	None of the Directors & KMP hold shares in the Company			
2.	Date wise Increase / Decrease in Share holding during the year	None of the Directors & KMP had any transaction in the shares of the Company during the year			
3.	At the End of the year	None of the Directors & KMP hold shares in the Company.			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2014)				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Addition	229.43	22,800.00	Nil	23,029.43
Reduction	Nil	20,800.00	Nil	20,800.00
Net Change	229.43	2,000.00	Nil	2,229.43
Indebtedness at the end of the financial year (as on 31.03.2015)				
i) Principal Amount	229.43	2,000.00	Nil	2,229.43
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	229.43	2,000.00	Nil	2,229.43

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (For FY-2014-15)

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Eiichi Seto Managing Director & CEO	Gopal Bansal Whole-time Director & CFO	Kei Katayama* Director R&D	Yuji Kosaka# Director R&D	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63.0	107.0	36.9	9.9	216.8
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13.8	11.1	10.0	2.6	37.5
	(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	57.0	57.0			114.0
	– others					
5	Others (Employer Contribution to PF)	7.6	9.4	4.4	1.2	22.6
	Total (A)	141.4	184.5	51.3	13.7	390.9
	Ceiling as per the Act	Rs.570.5 lakhs (being 10% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

* appointed on 8th August, 2014

Left on 18th June, 2014

B. Remuneration to other directors (Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		S K Tuteja	A.K. Thakur	P.K. Nanda	Sudhir Nayar	Dr. (Mrs.) Vasantha S Bharucha	
1.	Independent Directors						
	• Fee for attending board / committee meetings	9.2	3.0	3.8	3.0	0.9	19.9
	• Commission	6.0	6.0	6.0	6.0	3.0	27.0
	• Others						
	Total (1)	15.2	9.0	9.8	9.0	3.9	46.9
2.	Other Non-Executive Directors	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–
	Total (B)=(1+2)	15.2	9.0	9.8	9.0	3.9	46.9
	Ceiling as per the Act	Rs.57.0 lakhs (being 1% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					
	Total Managerial Remuneration (A+B)	Rs.437.8 lakhs (including sitting fee of Rs. 19.9 lacs)					
	Overall Ceiling as per the Act	Rs.627.5 lakhs (being 11% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

C. Remuneration to key managerial personnel other than MD/MANAGER/WTB
(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Parvesh Madan Company Secretary	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.5	16.5
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.7	2.7
	(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	–	–
5	Others, please specify Employer Contribution to PF	1.4	1.4
	Total	20.6	20.6

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or programs.

In adherence to Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors, upon the recommendations of its CSR Committee, has adopted a Company policy on CSR.

The thrust areas of the policy are – promoting healthcare and sanitation, supporting education of under privileged children / girl child, sponsoring vocational education for women and providing support to war widows and their dependents.

The policy has been uploaded on the website of the Company under web-link:
<http://smlisuzu.com/Financials/CSRPolicy.aspx>

2. The Composition of CSR Committee is as follows:-

- a. Mr. S.K.Tuteja, Non Executive Independent Director as Chairman
- b. Dr. (Mrs.) Vasantha S. Bharucha, Non-Executive Independent Director
- c. Mr. Eiichi Seto, Managing Director & CEO
- d. Mr. Gopal Bansal, Whole-time Director & CFO

3. Average net profit of the Company for last three financial years Rs. 4,804.0 lakhs

4. Prescribed CSR expenditure Rs. 96.0 lakhs
 (two percent of the amount mentioned in item 3 above)

5. Details of CSR spent during the financial year:

- a) Total amount to be spent for the financial year Rs. 96.0 lakhs
- b) Amount unspent, if any - Not applicable
- c) Manner in which the amount spent during the financial year is detailed below :-

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or Program (1) Local Area or Other (2) State and district where projects or programs were undertaken	Amount Outlay (Budget) Project or Program wise (in lakhs)	Amount spent on the Projects or Programs a) Direct expenditure b) Overheads (in lakhs)	Cumulative Expenditure upto the reporting period i.e. FY 2014-15 (in lakhs)	Amount Spent : Direct or through implementing Agency
1.	Community Toilets Constructed in collaboration with Village Panchayat.	Preventive Healthcare & Sanitation	1. Local 2. Punjab District - Shahid Bhagat Singh Nagar	14.00	13.72	13.72	Direct
2.	Drainage System Constructed in collaboration with Village Panchayat	Preventive Healthcare & Sanitation	1. Local 2. Punjab District - Shahid Bhagat Singh Nagar	18.00	18.65	18.65	Direct
3.	Hospital Infrastructure Ambulances and patient trolleys provided to hospitals catering mainly to under-privileged section of society.	Health care	1. Local 2. a) Punjab District Roopnagar b) Chandigarh (UT)	31.00	31.04	31.04	Direct
4.	Health Camps Medical check-up and free medicine	Preventive Health care	1. Local 2. a) Punjab District Roopnagar b) Chandigarh (UT)	2.00	2.21	2.21	Direct
5.	Infrastructure for schools Provided Desks, chairs, fans, mats, safe drinking water and constructed Toilets primarily for girls students in consultation with State Education Authorities.	Education	1. Local 2. a) Punjab District Shahid Bhagat Singh Nagar b) Punjab District Roopnagar c) Chandigarh (UT)	28.00	28.60	28.60	Direct
6.	Girls Education Support provided to under privileged girls students in terms of School Fees, Uniform & Books.	Education	1. Local 2. Chandigarh (UT)	3.00	3.20	3.20	Direct
	Total			96.00	97.42	97.42	

RESPONSIBILITY STATEMENT

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.

S.K.Tuteja

Chairman, CSR Committee

Dated : 7th August, 2015

Eiichi Seto

Managing Director & CEO

ANNEXURE D TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 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]

Form No. MR-3

To,
The Members,
SML Isuzu Limited
Village-Asron,
District- Nawanshahr
Punjab

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SML ISUZU 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 SML ISUZU 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 SML ISUZU 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 there under;
- (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) Other laws applicable to the Company as per the representation given by the Company.

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 during the audit period.
- b) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited;

During the financial year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Based on my 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 decisions are carried on the basis of majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The Company has proper board processes.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. The Company passed a Special Resolution under Section 180(1)(a) of Companies Act, 2013 to authorise the Board of Directors to create mortgage/charge on all or any of the immovable properties of the Company to secure the term loans/ working capital facilities upto a sum of Rs. 500 crores.
2. The Company passed a Special resolution under Section 180(1)(c) of Companies Act, 2013 to authorise the Board of Directors for borrowing money upto Rs. 500 crores.
3. The Company passed a Special Resolution under Section 14 of Companies Act, 2013 to alter its articles of association in alignment of the provisions of Companies Act, 2013.

Apart from the businesses stated above, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place : Chandigarh
Date : 29.06.2015

AJAY K. ARORA
A. ARORA & CO.
FCS No. 2191
C P No.: 993

ANNEXURE E TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy

- Rain water harvesting and water conservation.
- Optimum use of air compressors by switching over to low power consuming compressors during reduced air requirement periods.
- Use of natural lighting.
- Replacement of low energy efficient air compressors with high efficiency compressors.
- Installation of LED lights in place of CFL lights.
- Conservation of natural resources like oil through proper storage.
- Systematic disposal of hazardous material.

2. The steps taken by the company for utilizing alternate sources of energy

The Company is exploring use of Solar Energy as an alternate source.

3. Capital investment on energy conservation equipments

Capital Investment: Rs 21.35 Lakhs

B. TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

SML continued its efforts on technology upgradation in the area of power train & new vehicle development – engines (Diesel & CNG) developed meeting BS-IV emission norms. Semi low floor buses have been developed as per JnNURM -2. 5252XM truck with GVW 5200 kg launched.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

- Improved performance of vehicles with new Drive trains introduced in the market.
- Improved market penetration with New Buses as per JnNURM -2 launched in the market

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: – Not Applicable

(iv) The expenditure incurred on Research and Development :

	(Rs. in lakhs)
(a) Capital	403.08
(b) Recurring	1,327.53
(c) Total	1,730.61
(d) R&D expenditure as a %age of total revenue	1.55%

Our in-house Research & Development facility has been duly recognized by Department of Scientific & Industrial Research (DSIR), Govt. of India since 1987.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lakhs)
Earnings in foreign currency	3,305.71
Payments in foreign currency	1,270.29

BALANCE SHEET AS AT 31 MARCH 2015

(Rs. in lakhs)

	Note No.	2015	2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	4	1,447.88	1,447.88
Reserves and surplus	5	28,842.29	26,193.41
Non-current liabilities			
Deferred tax liabilities (net)	6	256.57	964.15
Other long term liabilities	7	1,018.36	1,175.74
Long-term provisions	8	4,519.57	2,736.85
Current liabilities			
Short-term borrowings	9	2,229.43	—
Trade payables		20,034.48	16,413.91
Other current liabilities	10	5,237.86	3,607.38
Short-term provisions	11	3,922.04	2,521.58
Total		67,508.48	55,060.90
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		13,132.95	13,571.71
Intangible assets		651.93	763.54
Capital work-in-progress		2,543.46	819.27
Intangible assets under development		120.00	40.00
Long-term loans and advances	13	1,841.17	1,824.79
Other non-current assets	14	140.73	58.47
Current assets			
Inventories	15	28,586.05	24,334.66
Trade receivables	16	10,438.03	8,177.11
Cash and bank balances	17	8,775.00	4,110.15
Short-term loans and advances	18	784.22	1,270.33
Other current assets	19	494.94	90.87
Total		67,508.48	55,060.90
Significant accounting policies	3		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF SML ISUZU LIMITED

For B S R & Company
Chartered Accountants
Firm Registration Number : 128032W

GOPAL BANSAL
Whole Time Director & CFO

S.K. TUTEJA
Chairman

MANISH GUPTA
Partner
Membership Number : 095037
Place : New Delhi
Date : 08 May 2015

PARVESH MADAN
Company Secretary

EIICHI SETO
Managing Director & CEO

New Delhi, 08 May 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

(Rs. in lakhs)

	Note No.	2015	2014
INCOME			
Revenue from operations	20		
Sale of products (Gross)		119,269.91	96,689.06
Less : Excise duty		9,461.37	9,122.97
Sale of Products (Net)		109,808.54	87,566.09
Other operating revenues		746.05	560.71
		110,554.59	88,126.80
Other income	21	879.41	472.48
Total revenue		111,434.00	88,599.28
EXPENSES:			
Cost of materials consumed	22	81,487.26	67,122.70
Purchases of stock-in-trade (spare parts)		3,507.46	3,652.31
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(3,932.07)	(4,014.61)
Employee benefits expense	24	12,009.14	9,395.91
Finance costs	25	582.05	589.49
Depreciation and amortization	12	1,977.65	1,280.38
Other expenses	26	10,928.05	8,801.67
Total expenses		106,559.54	86,827.85
Profit before tax		4,874.46	1,771.43
Tax expense:			
Current tax		1,693.04	371.31
Mat credit utilisation		188.92	—
Mat credit entitlement		—	(188.92)
Current Tax adjustment related to prior years		6.12	(63.00)
Deferred tax			
For current year		(661.91)	(25.06)
For prior years		(45.67)	(63.00)
Profit for the year		3,693.96	1,740.10
Earnings per share [face value of share Rs. 10 (previous year Rs. 10)]			
Basic and diluted earnings per share	33	25.53	12.02
Significant accounting policies	3		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF SML ISUZU LIMITED

For B S R & Company
Chartered Accountants
Firm Registration Number : 128032W

GOPAL BANSAL
Whole Time Director & CFO

S.K. TUTEJA
Chairman

MANISH GUPTA
Partner
Membership Number : 095037
Place : New Delhi
Date : 08 May 2015

PARVESH MADAN
Company Secretary

EIICHI SETO
Managing Director & CEO

New Delhi, 08 May 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

(Rs. in lakhs)

	2015	2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	4,874.46	1,771.43
Adjustments For :		
Depreciation and amortization	1,977.65	1,280.38
Unrealised (gain) / loss on foreign exchange fluctuation	(1.57)	4.34
Finance costs	582.05	589.49
Interest income on deposits	(645.05)	(97.43)
Loss on fixed assets sold / written off (net)	363.49	5.54
Provision for liquidated damages	162.63	—
Provision for doubtful trade receivables / advances	62.16	59.07
Liabilities/Provisions no longer required written back	(173.87)	(359.12)
Operating profit before working capital changes	2,327.49	1,482.27
Adjustments for :	7,201.95	3,253.70
(Increase) / Decrease in trade receivables	(2,264.75)	6,893.06
Decrease in other current assets	15.41	656.90
Decrease in short term loans & advances	297.19	1,571.72
(Increase) / Decrease in long term loans & advances	(514.71)	26.81
(Increase) in inventories	(4,251.39)	(1,270.01)
Increase in trade payables	3,481.92	5,347.12
Increase / (Decrease) in other current liabilities	1,396.70	(112.26)
Increase in long term provisions	1,689.90	553.99
Increase / (Decrease) in short term provisions	515.54	(234.76)
Increase / (Decrease) in long term liabilities	(13.48)	33.25
CASH PROVIDED BY OPERATIONS	7,554.28	16,719.52
Less: Direct tax paid (net of refunds)	677.70	525.99
NET CASH PROVIDED BY OPERATING ACTIVITIES	6,876.58	16,193.53
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets (tangible & intangible assets, capital work in progress) and capital advances	(3,439.44)	(1,781.13)
Proceeds from sale of fixed assets	6.03	12.45
Investment in Bank deposits (having original maturity of more than three months)	(61,412.61)	(10,158.74)
Maturity of Bank deposits (having original maturity of more than three months)	54,318.97	13,747.57
Investment in Margin money	(2.27)	(43.03)
Maturity of Margin money	35.74	18.41
Interest received	172.81	386.23
NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES	(10,320.77)	2,181.76

(Rs. in lakhs)

	2015	2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured loans taken during the year	22,800.00	22,300.00
Unsecured loans repaid during the year	<u>20,800.00</u>	<u>36,304.82</u>
Secured loans taken / (repaid) during the year (net)	229.43	(2,204.51)
Dividend paid	(443.40)	(1,149.91)
Tax paid on dividends	(73.78)	(196.76)
Addition to unclaimed dividend accounts	9.25	(7.82)
Finance costs paid	(582.04)	(589.49)
NET CASH PROVIDED / (USED) BY FINANCING ACTIVITIES	<u>1,139.46</u>	<u>(18,153.31)</u>
Net increase / (decrease) in cash and cash equivalents	(2,304.73)	221.98
Cash and cash equivalents at the beginning of the year	3,848.58	3,626.60
Cash and cash equivalents at the end of the year	1,543.85	3,848.58

Notes to Cash flow statement :-

- Components of cash and cash equivalents

Cash in hand	9.77	11.94
Balances with banks		
– Bank deposits (Original maturity with 3 months or less)	–	2,100.00
– Current accounts	<u>1,534.08</u>	<u>1,736.64</u>
	<u>1,543.85</u>	<u>3,848.58</u>
- The above "Cash flow statement" has been prepared under the Indirect method as set out in the AS -3 on "Cash flow statements".

The notes referred to above form an integral part of the financial statements

As per our report of even date attached FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF SML ISUZU LIMITED

For B S R & Company
Chartered Accountants
Firm Registration Number : 128032W

MANISH GUPTA
Partner
Membership Number : 095037
Place : New Delhi
Date : 08 May 2015

GOPAL BANSAL
Whole Time Director & CFO

PARVESH MADAN
Company Secretary

S.K. TUTEJA
Chairman

EIICHI SETO
Managing Director & CEO

New Delhi, 08 May 2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Company overview

SML Isuzu Limited (Formerly Swaraj Mazda Limited) is a public company, incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) in India. The Company is primarily engaged in the business of manufacture and sale of Commercial Vehicles and its parts. The Company has its operations primarily in India.

2. The financial statements for the year ended 31 March 2015 have been prepared as per the requirements of Schedule III of the Companies Act, 2013.

3. Significant Accounting Policies

i) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the accounting standards, as prescribed by the Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, as adopted consistently by the Company. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements have been prepared in Indian rupees rounded off to the nearest lakhs.

ii) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

iii) Current -non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

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

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

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

iv) Revenue recognition

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of sales tax/value added taxes (VAT), and is net of returns, trade discounts and quantity discounts.

Export benefits are accounted for on accrual basis.

Revenue from royalty is recognized on accrual basis as per the terms of agreement entered into with the customers.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

v) Tangible and intangible fixed assets

Tangible assets are recorded at cost. Cost includes freight, duties, taxes and expenses incidental to acquisition and installation of fixed assets. In case of self-constructed fixed assets, appropriate overheads including salaries and wages are allocated to the cost of the asset. The cost of capital spares is capitalized along with the cost of the related asset.

Intangible assets comprising technical know how, product designs, prototypes etc. either acquired or internally developed are stated at cost. In case of internally generated intangible assets, appropriate overheads including salaries and wages are allocated to the cost of the asset.

Capital work in progress includes cost of assets at site, direct and indirect expenditure incidental to construction and interest on the funds deployed for construction.

vi) Depreciation/ Amortisation

Depreciation on tangible fixed assets is provided on the straight-line method based on the estimated useful life of each asset as determined by the management. Depreciation for assets purchased / sold during the period is proportionately charged.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act, except for the following assets, which are being depreciated based on the managements estimate of the useful life of tangible fixed assets such useful lives are lower than the lives arrived at on the basis of Schedule II of the Act:

	Estimated life (Years) #
Plant and equipments	2-12
Office equipment (Air Conditioners)	4
Vehicles (Motor cars)	4
Buildings - Air Ventilators	10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

For the above mentioned class of assets, based on internal technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Also, refer to note 45 of the financial statements.

Capital spares are amortized in a systematic manner over a period not exceeding the useful life of the asset to which they relate.

Intangible assets are amortised on a straight-line method on a monthly pro-rata basis over a period of three to ten years based on the estimated useful life of the assets.

vii) Inventories

Inventories are valued at lower of cost or net realizable value. Cost for the purpose of valuation is calculated on a quarterly weighted average method. In respect of finished goods and work-in-progress, applicable manufacturing overheads and other costs incurred in bringing the items of inventory to their present location and condition are also included. Excise duty is included in finished goods and stock-in-trade valuation.

viii) Employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc, are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Defined contribution plans:

Contribution to Employee Provident fund and Employees' State Insurance Fund

Contribution to employee's provident fund scheme and employees' state insurance fund are defined contribution plans. The Company's contribution paid / payable under these schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Superannuation Scheme:

Certain employees are also participants in the superannuation plan ('the Plan') which is a defined contribution plan. The Company has no obligations to the Plan beyond its monthly contributions, which are periodically contributed to the superannuation scheme, the administration of which is entrusted with Life Insurance Corporation of India ('LIC').

Defined benefit plans:

Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the LIC. Contributions are made by the Company to the LIC based on actuarial valuation of obligation as at 31 March every year conducted by the LIC. Such contributions paid during the year have been charged to the Statement of Profit and Loss on accrual basis. The Company also carries out an actuarial valuation conducted by an independent actuary as at 31 March every year for company as a whole. Any incremental value of obligation, as compared with the obligation determined by the LIC is charged to the Statement of Profit and Loss.

The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating the terms of related obligations.

Other long term benefits:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Actuarial gains / losses:

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss.

ix) Research and development

Expenditure on research is expensed off under the respective heads of account in the period in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and right to use the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the Statement of Profit and Loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Fixed assets used for research and development are depreciated in accordance with the Company's policy as stated above.

Materials identified for use in research and development process are carried as inventories and charged to the Statement of Profit and Loss on consumption of such materials for research and development activities.

x) Warranty and service expenses

A provision is estimated for expected warranty and free service coupon cost in respect of products sold during the year on the basis of past experience regarding failure trends of products and costs of rectification or replacement.

xi) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of Profit and Loss.

xii) Taxation

Income-tax expense comprises current tax (i.e. the amount of tax for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year).

Minimum Alternate Tax (MAT) paid in excess of normal income tax is recognised as asset (MAT Credit entitlement) only to the extent, there is reasonable certainty that company shall be liable to pay tax as per the normal provisions of the Income Tax Act, 1961 in future.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

xiii) Government grant

Grants in the form of Capital/Investment subsidy are treated as Capital Reserve.

xiv) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

xv) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Accounting Standard - 28 on 'Impairment of Assets' to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

xvi) Operating lease (As lessee)

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease.

Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease period.

xvii) Earnings per share

Basic earnings per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

xviii) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognised in the financial statements of the period in which the change occurs.

xix) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 4

(Rs. in lakhs)

	2015	2014
SHARE CAPITAL		
Authorised		
40,000,000 (Previous year 40,000,000) Equity Shares of Rs. 10/- each	4,000.00	4,000.00
Issued, subscribed & paid up		
14,471,646 (previous year 14,471,646) equity shares of Rs. 10/- each fully paid up*	1,447.17	1,447.17
Forfeited shares [13,300 (previous year 13,300) equity shares of Rs.10 each]	0.71	0.71
Total	1,447.88	1,447.88

* Includes 100 (previous year 100) equity shares of Rs. 10 each, fully paid up, held by an NRI for which approval from the Reserve Bank of India is pending.

a. Reconciliation of the shares outstanding at beginning and at the end of the year

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
Balance at the beginning and year end	14,471,646	1,447.17	14,471,646	1,447.17

b. Details of shareholders holding more than 5% share in company

Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of shares	% of holding	No. of shares	% of holding
Sumitomo Corporation, Japan	6,362,306	43.96%	6,362,306	43.96%
Isuzu Motors Limited	2,170,747	15.00%	2,170,747	15.00%
Reliance Capital Trustee Company Ltd.	—	—	832,339	5.75%

c. Rights, preferences and restrictions attached to the equity shares :-

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 5

(Rs. in lakhs)

	2015	2014
RESERVES AND SURPLUS		
Capital reserves		
At the commencement and at the end of the year	15.00	15.00
Securities premium reserve		
At the commencement and at the end of the year	7,452.88	7,452.88
General reserve		
At the commencement of the year	8,397.68	8,223.67
Add : Amount transferred from surplus	369.39	174.01
Balance at the end of the year	8,767.07	8,397.68
Surplus (Profit & loss balance)		
At the commencement of the year	10,327.85	9,269.69
Add: Profit for the year	3,693.96	1,740.10
Appropriations		
Less: Proposed dividend *	868.30	434.15
Less: Dividend tax and surcharge	176.78	73.78
Less: Transfer to General Reserve	369.39	174.01
Balance at the end of the year	12,607.34	10,327.85
Total	28,842.29	26,193.41

* The Board of Directors have recommended a dividend of Rs. 6.0 per share (previous year Rs. 3.0 per share) subject to the approval of the Shareholders at the Annual General Meeting.

NOTE 6

(Rs. in lakhs)

	2015	2014
DEFERRED TAX LIABILITY (NET)		
(A) Deferred tax liabilities		
(i) Excess of depreciation/amortisation on fixed assets under income tax law over depreciation/amortisation provided in accounts	2,053.36	2,352.99
(ii) R&D related capital work in progress allowed under Sec 35(2AB) of the Income tax Act, 1961	92.68	7.53
Gross deferred tax liabilities	2,146.04	2,360.52
(B) Deferred tax assets		
(i) Provision for doubtful trade receivables/advances	268.49	247.37
(ii) Provision for leave encashment	756.37	543.42
(iii) Provision for gratuity	681.55	478.60
(iv) Provision for bonus	31.69	30.31
(v) Other disallowances under Income Tax Act, 1961	151.37	96.67
Gross deferred tax assets	1,889.47	1,396.37
Deferred tax liabilities (net)	256.57	964.15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 7

(Rs. in lakhs)

	2015	2014
OTHER LONG TERM LIABILITIES		
Others:		
Security deposits from dealers	770.45	783.94
Dealer development delinquency pool	—	124.76
Creditors for Fixed Assets	247.91	267.04
Total	1,018.36	1,175.74

NOTE 8

(Rs. in lakhs)

	2015	2014
LONG TERM PROVISIONS		
Provision for employees benefits:		
Gratuity (refer to note 40)	2,110.40	1,201.19
Compensated absences	1,561.89	1,000.04
	3,672.29	2,201.23
Other provisions :		
Warranty (refer to note 30)	240.76	125.19
Service charges (refer to note 30)	182.10	78.83
Income tax [net of Advance tax Rs. 1,814.44 Lakhs (PREVIOUS YEAR Rs. 4,554.64 Lakhs)] (refer to note 47)	424.42	331.60
Total	4,519.57	2,736.85

NOTE 9

(Rs. in lakhs)

	2015	2014
SHORT TERM BORROWINGS		
Loans repayable on demand :		
Cash credit from banks-secured (refer to note 44)	229.43	—
Other loans from banks-unsecured	2,000.00	—
Total	2,229.43	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 10

(Rs. in lakhs)

	2015	2014
OTHER CURRENT LIABILITIES		
Unclaimed dividends	132.46	141.71
Other payables		
Advance from customers	1,714.07	1,215.77
Statutory liabilities	2,153.07	1,438.14
Payable to employees	805.04	629.06
Creditors for fixed assets	433.22	182.70
Total	5,237.86	3,607.38

NOTE 11

(Rs. in lakhs)

	2015	2014
SHORT TERM PROVISIONS		
Provision for employees benefits:		
Gratuity (refer to note 40)	194.73	246.54
Compensated absences	663.39	598.74
Superannuation	34.37	28.95
Other provisions :		
Warranty (refer to note 30)	730.93	554.51
Service charges (refer to note 30)	905.76	584.91
Income Tax [(Net of Advance Tax Rs. 1,534.18 lakhs (Previous year Rs. Nil)] (refer to note 47)	347.78	—
Proposed equity dividend	868.30	434.15
Tax on proposed equity dividend	176.78	73.78
Total	3,922.04	2,521.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 12

FIXED ASSETS

(Rs. in lakhs)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at 01.04.2014	Additions during the year	Sale/ Adj.	As at 31.03.2015	As at 01.04.2014	For the year	Sale/ Adj.	As at 31.03.2015	As at 31.03.2015
Tangible Assets (A)									
Freehold Land	48.74	-	-	48.74	-	-	-	-	48.74
Buildings	6,754.68	660.36	7.50	7,407.54	1,659.86	268.81	4.18	1,924.49	5,483.05
Plant and Equipment	12,071.52	589.20	819.05	11,841.67	4,807.78	1,168.26	454.20	5,521.84	6,319.83
Furniture and Fixtures	284.24	126.35	8.10	402.49	140.17	34.79	8.10	166.86	235.63
Office Equipment	286.19	50.99	7.27	329.91	127.85	79.09	7.27	199.67	130.24
Vehicles	1,435.07	225.22	3.77	1,656.52	735.47	224.28	2.41	957.34	699.18
Others									
Computers	719.37	144.69	119.76	744.30	556.97	90.81	119.76	528.02	216.28
Sub Total (A)	21,599.81	1,796.81	965.45	22,431.17	8,028.10	1,866.04	595.92	9,298.22	13,132.95

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at 01.04.2014	Additions during the year	Sale/ Adj.	As at 31.03.2015	As at 01.04.2014	For the year	Sale/ Adj.	As at 31.03.2015	As at 31.03.2015
Intangible Assets (B)									
Technical know-how	1,125.82	-	-	1,125.82	362.28	111.61	-	473.89	651.93
Sub Total (B)	1,125.82	-	-	1,125.82	362.28	111.61	-	473.89	651.93
Total (A+B)	22,725.63	1,796.81	965.45	23,556.99	8,390.38	1,977.65	595.92	9,772.11	13,784.88
Capital Work in Progress									2,543.46
Intangible Assets under Development									120.00

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at 01.04.2013	Additions during the year	Sale/ Adj.	As at 31.03.2014	As at 01.04.2013	For the year	Sale/ Adj.	As at 31.03.2014	As at 31.03.2014
Tangible Assets (A)									
Freehold Land	48.74	-	-	48.74	-	-	-	-	48.74
Buildings	6,603.48	151.20	-	6,754.68	1,439.72	220.14	-	1,659.86	5,094.82
Plant & Equipments	11,182.49	1,056.67	167.64	12,071.52	4,321.45	641.36	155.03	4,807.78	7,263.74
Furniture & Fixtures	254.16	36.23	6.15	284.24	127.58	18.74	6.15	140.17	144.07
Office Equipment	243.03	50.47	7.31	286.19	114.50	19.60	6.25	127.85	158.34
Vehicles	1,267.09	230.79	62.81	1,435.07	620.78	173.18	58.49	735.47	699.60
Others									
Computers	605.83	114.06	0.52	719.37	466.80	90.69	0.52	556.97	162.40
Sub Total (A)	20,204.82	1,639.42	244.43	21,599.81	7,090.83	1,163.71	226.44	8,028.10	13,571.71

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	As at 01.04.2013	Additions during the year	Sale/ Adj.	As at 31.03.2014	As at 01.04.2013	For the year	Sale/ Adj.	As at 31.03.2014	As at 31.03.2014
Intangible Assets (B)									
Technical know-how	1,060.82	65.00	-	1,125.82	245.61	116.67	-	362.28	763.54
Sub Total (B)	1,060.82	65.00	-	1,125.82	245.61	116.67	-	362.28	763.54
Total (A+B)	21,265.64	1,704.42	244.43	22,725.63	7,336.44	1,280.38	226.44	8,390.38	14,335.25
Capital Work in Progress									819.27
Intangible Assets under Development									40.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 13

(Rs. in lakhs)

	2015	2014
LONG TERM LOANS & ADVANCES		
<i>(Unsecured considered good unless stated otherwise)</i>		
To parties other than related parties		
Capital advances	277.58	207.75
Security deposits	151.08	131.55
Loans to employees	33.99	73.76
Prepaid expenses and other advances		
Considered good	7.54	11.32
Considered doubtful	50.00	—
Less : Provision for doubtful advances	50.00	—
Others		
Amount paid under protest to authorities		
— Income tax	930.53	489.02
— Sales tax	239.25	192.03
— Excise duty	2.13	2.13
Advance tax [(net of provision for tax Rs. 1,506.35 lakhs (Previous year Rs.5,381.22 lakhs)] (refer to note 47)	199.07	717.23
Total	1,841.17	1,824.79

NOTE 14

(Rs. in lakhs)

	2015	2014
OTHER NON CURRENT ASSETS		
<i>(Unsecured, considered good unless stated otherwise)</i>		
Others		
Bank deposits (due to mature after twelve months from the reporting date)*	138.40	57.06
Margin money (against bank guarantees)	0.47	0.46
Interest accrued but not due on bank deposits	1.86	0.95
Total	140.73	58.47

* includes restricted bank deposits amounting to Rs. 138.40 lakhs (Previous year Rs. 57.06 lakhs). The restrictions are on account of deposits held as margin money against bank guarantees.

NOTE 15

(Rs. in lakhs)

	2015	2014
INVENTORIES (valued at cost or net realisable value, whichever is lower)		
Raw materials *	7,019.18	7,475.61
Work in progress	3,678.29	1,258.76
Finished goods (Vehicles) *	16,641.09	14,126.88
Stock-in-trade (Spare parts) *	1,150.99	1,340.02
Stores and spares *	79.18	107.97
Loose tools *	17.32	25.42
Total	28,586.05	24,334.66
* Includes goods in transit:		
— Raw materials	578.07	654.47
— Finished goods (Vehicles)	1,638.06	1,339.81
— Stock-in-trade (Spare parts)	20.30	44.32
— Stores and Spares	3.87	9.43
— Loose tools	1.13	0.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 16

(Rs. in lakhs)

	2015	2014
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date these are due for payment		
Secured, considered good	2.73	—
Unsecured		
Considered good	614.24	31.45
Considered doubtful	796.79	851.58
Less: Provision for doubtful debts	796.79	851.58
Others receivables		
Secured, considered good	281.80	—
Unsecured, considered good	9,539.26	8,145.66
Total	10,438.03	8,177.11

NOTE 17

(Rs. in lakhs)

	2015	2014
CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in hand	9.77	11.94
Balances with banks		
— On bank deposits (Original maturity within 3 months or less)	—	2,100.00
— On current accounts	1,534.08	1,736.64
Other bank balances		
Unclaimed dividend accounts	132.46	141.71
Margin money (against bank guarantees)	2.27	35.74
Earmarked balances#	14.69	13.62
Bank deposits (due to mature within twelve months of the reporting date)*	7,081.73	70.50
Total	8,775.00	4,110.15

* includes restricted bank deposits amounting to Rs. 81.74 lakhs (Previous year Rs. 70.50 lakhs). The restrictions are on account of deposits held as margin money against bank guarantees.

These balances are earmarked to meet certain employee related contingencies and are restricted and not freely usable.

Details of bank balances / deposits

Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	1,534.08	3,836.64
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	7,081.73	70.50
Bank deposits due to mature after 12 months from the reporting date included under 'Other non current assets' (refer note 14)	138.40	57.06
Total	8,754.21	3,964.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 18

(Rs. in lakhs)

	2015	2014
SHORT-TERM LOANS & ADVANCES		
<i>(Unsecured considered good unless otherwise stated)</i>		
To parties other than related parties		
Security Deposits	13.99	42.35
Others :		
Cenvat credit receivable		
Considered good	166.78	249.03
Considered doubtful	488.32	488.32
Less: Provision for doubtful receivables	488.32	—
VAT/Sales tax credit receivable		
Considered good	189.42	532.82
Considered doubtful	32.41	32.41
Less: Provision for doubtful receivables	32.41	—
Advances for supply of goods	157.56	63.45
Loans and advances to employees	91.83	72.48
MAT credit entitlement	—	188.92
Prepaid expenses and other advances	164.64	121.28
Total	784.22	1,270.33

NOTE 19

(Rs. in lakhs)

	2015	2014
OTHER CURRENT ASSETS		
<i>(Unsecured considered good unless stated otherwise)</i>		
Interest accrued but not due on deposits	419.55	10.93
Royalty income receivable	9.77	9.19
Export incentives receivables		
Considered good	65.62	70.75
Considered doubtful	14.92	25.79
Less : Provision for doubtful receivables	14.92	25.79
Total	494.94	90.87

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 20

(Rs. in lakhs)

	2015	2014
REVENUE FROM OPERATIONS		
Sale of products		
Finished goods – vehicles	112,282.51	89,198.18
Traded goods - spare parts	6,987.40	7,490.88
Sub Total	119,269.91	96,689.06
Less : Excise duty	9,461.37	9,122.97
	109,808.54	87,566.09
Other operating revenues		
Sale of scrap	551.33	364.88
Export incentives	70.81	79.89
Royalty	96.97	103.08
Exchange gain on foreign exchange fluctuations (net)	26.94	12.86
	746.05	560.71
Total	110,554.59	88,126.80

NOTE 21

(Rs. in lakhs)

	2015	2014
OTHER INCOME		
Interest income on deposits	645.05	97.43
Interest on income tax refund	45.57	—
Profit on sale of fixed assets (net)	4.67	—
Liabilities/provisions no longer required written back	173.87	359.11
Other non operating income	10.25	15.94
Total	879.41	472.48

NOTE 22

(Rs. in lakhs)

	2015	2014
COST OF MATERIALS CONSUMED*		
Inventory of material at the begining of the year	7,475.61	10,442.52
Purchases (refer to note 28)	81,030.83	64,155.79
Inventory of material at the end of the year	7,019.18	7,475.61
	81,487.26	67,122.70
	%	%
Imported	2.53	3.53
Local	97.47	96.47
Total	100.00	100.00
	81,487.26	67,122.70

* None of the items individually constitute more than 10% of the total cost of materials consumed. Accordingly, the Company has not furnished the detailed breakup of raw material consumed under broad heads.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 23

(Rs. in lakhs)

	2015	2014
CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
Opening stock		
– Finished goods (Vehicles)	14,126.88	9,606.16
– Stock-in-trade (Spare parts)	1,340.02	1,455.69
– Work-in-progress	1,258.76	1,401.61
	<u>16,725.66</u>	<u>12,463.46</u>
Less : Closing stock		
– Finished goods (Vehicles)	16,641.09	14,126.88
– Stock-in-trade (Spare parts)	1,150.99	1,340.02
– Work-in-progress	3,678.29	1,258.76
	<u>21,470.37</u>	<u>16,725.66</u>
	(4,744.71)	(4,262.20)
Add : Increase in excise duty on finished goods	812.64	247.59
Total	<u>(3,932.07)</u>	<u>(4,014.61)</u>

NOTE 24

(Rs. in lakhs)

	2015	2014
EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus and compensated absences	9,351.26	7,595.64
Contributions to provident and other funds	1,878.70	1,172.57
Workmen and staff welfare expenses	779.18	627.70
Total	<u>12,009.14</u>	<u>9,395.91</u>

NOTE 25

(Rs. in lakhs)

	2015	2014
FINANCE COSTS		
Interest expense	510.27	517.63
Other borrowing costs	71.78	71.86
Total	<u>582.05</u>	<u>589.49</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 26

(Rs. in lakhs)

	2015	2014
OTHER EXPENSES		
Consumption of stores and spares and loose tools*	213.12	150.03
Repairs :		
– Plant & Machinery	85.62	106.99
– Buildings	201.24	158.13
– Others	105.66	95.61
Power and fuel	939.56	893.05
Rent	329.54	254.09
Rates and taxes (refer to note 28)	169.77	362.99
Legal and professional	136.18	208.11
Auditors' remuneration:		
– Statutory Audit	28.00	23.00
– Tax Audit	4.00	2.50
– Limited review of quarterly results	11.50	10.50
– Other Services (Certifications)	3.65	7.94
– Reimbursement of expenses	3.31	3.43
Insurance	84.84	83.41
Printing, stationery and other communication expense	154.22	155.95
Travelling and conveyance	1,059.78	881.40
Provision for doubtful trade receivables/advances	62.16	53.95
Packing and freight outward	3,268.55	2,982.02
Warranty Costs	675.21	576.36
Marketing, sales, promotion & service expenses (includes provision for liquidated damages Rs. 162.63 lakhs (previous year Rs. Nil))	2,112.06	1,105.97
Royalty expenses	17.37	13.57
Testing and other laboratory expenses	407.61	350.18
Fixed assets written off	368.16	–
Loss on sale of fixed assets (net)	–	5.54
Advances written off	–	5.12
Contribution towards CSR (refer to note 45)	97.85	–
Miscellaneous	389.09	311.83
Total	10,928.05	8,801.67
* Value of imported and indigenous consumption of stores and spares and loose tools		(Rs. in lakhs)
	%	%
Imported	5.69	5.60
Local	94.31	94.40
Total	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

27. a) There are contingent liabilities in respect of claims against the Company not acknowledged as debts:

Particulars	2014-15 (Rs. in lakhs)	2013-14 (Rs. in lakhs)
Sales tax matters	411.71	554.40
Excise and service tax matters	379.49	379.49
Income tax matters	1,079.82	1,094.72
Civil matters	316.15	207.04
Total	2,187.17	2,235.65

- b) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.
28. a) Rates and taxes include certain VAT input credits, availed in earlier years, amounting to Rs. Nil (previous year Rs. 147.83 lakhs), which are not likely to be utilized and an amount of Rs. 38.39 lakhs (previous year Rs 134.36 lakhs) provided towards expected sales tax liability in respect of certain sales returns which took place in earlier years. Accordingly, these have been provided for in the books of accounts.
- b) Purchases for the year include an amount of Rs. Nil (previous year Rs. 35.21 lakhs) towards purchase tax paid pertaining to earlier years.
29. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 2,496.77 lakhs (previous year Rs. 1,879.26 lakhs).
30. The Company has adopted Accounting Standard 29 'Provisions, Contingent Liabilities & Contingent Assets' as notified by the Companies (Accounting Standards) Rules, 2006. Accordingly the following disclosure has been made:

(Rs. in Lakhs)

Name of the provision	Balance as on 1 April 2014	Accrued during the year#	Amount utilised during the year	Balance as on 31 March 2015
Provision for warranty *	679.70 (1,139.27)	675.21 (576.36)	383.22 (1,035.93)	971.69 (679.70)
Provision for service charges **	663.74 (601.56)	795.37 (475.04)	371.25 (412.86)	1,087.86 (663.74)

Figures of previous year are given in brackets

net of write back of liability in respect of provision for warranty Rs. 100.79 lakhs (previous year Rs. 304.35 lakhs) and in respect of provision for service charges Rs. 94.54 lakhs (previous year Rs. 106.96 lakhs)

* The Company is liable towards warranty claims made by end users of its products. The year end provision is based on its estimate of the past experience regarding failure trends of products and costs of rectification or replacement. It is estimated that the provision would be fully utilized over the warranty period.

** The Company has provided free service coupons to end users of its products and estimated a provision based on its historical trends of utilization of service coupons.

31. The Company is engaged in the business of manufacture of Commercial vehicles and spares which is a primary segment for the Company which constitutes a single business segment and accordingly disclosure requirements of Accounting Standard 17, "Segment Reporting", prescribed by the Companies (Accounting Standard) Rules 2006 in relation to primary segment are not required to be given. Business activities of the Company are primarily conducted from locations in India. Therefore, revenues and net assets are attributed to Indian operations. Accordingly, no additional disclosure for secondary segment reporting on the basis of geographical operations has been made in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

32. In accordance with Accounting Standard on "Related Party Disclosures" (AS 18), the disclosure in respect of transactions with the company's related parties are as follows:

- i. **Entities where control exists** Sumitomo Corporation, Japan – Controlling Enterprise
- ii. **Key management personnel**
 - Mr. E. Seto – Managing Director & CEO (w.e.f. 26 December 2013)
 - Mr. Gopal Bansal – Whole-time Director & CFO (w.e.f. 11 February 2014)
 - Mr. Y. Kosaka – Whole-time Director - R&D (upto 18 June 2014)
 - Mr. Kei Katayama – Whole-time Director - R&D (w.e.f. 8 August 2014)
 - Mr. Y. Watanabe – Managing Director & CEO (upto 25 December 2013)
 - Mr. R.P Sehgal – Whole-time Director - Works (up to 31 May 2013)

iii. **Transactions with Sumitomo Corporation, Japan:**

Nature of transactions	2014-15	2013-14
	Rs. in lakhs	Rs. in lakhs
a. Purchase of components and spares	178.65	729.59
b. Purchase of fixed assets	58.34	–
c. Other borrowing cost (Discounting Charges)	–	1.75
d. Dividend paid	190.87	508.98
e. Trade Payable	3.95	29.04

iv. **Payments to Key Management Personnel:**

a. Remuneration*:		
Mr. Y. Watanabe	–	69.08
Mr. E. Seto	141.38	26.70
Mr. R.P. Sehgal	–	22.02
Mr. Y. Kosaka	13.71	64.24
Mr. Kei Katayama	51.29	–
Mr. Gopal Bansal	184.51	20.17
b. Director's remuneration payable at the year end	114.09	27.36

* Excludes contribution to the gratuity fund and provision for compensated absences determined on an actuarial basis, as these are determined for the Company as a whole.

33. **Earning Per Share (EPS):**

	31-03-2015	31-03-2014
Profit attributable to equity shareholders (Rs. in lakhs)	3,693.96	1,740.10
Weighted average number of equity shares outstanding during the year. [excluding 13,300 forfeited equity shares (Previous Year 13,300)] (in nos.)	14,471,646	14,471,646
Basic and Diluted Earnings per share (Rs.)	25.53	12.02
Face Value per share (Rs.)	10.00	10.00

34. **Value of imports on CIF basis:**

	2014-2015	2013-2014
	Rs. in lakhs	Rs. in lakhs
Raw materials & components	816.78	640.45
Spares & stores (Including capital spares)	46.01	272.38
Capital goods	224.77	321.89
	1,087.56	1,234.72

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

35. Earnings in foreign currency – FOB Value (on accrual basis) :

	<u>2014-2015</u>	<u>2013-2014</u>
	<u>Rs. in lakhs</u>	<u>Rs. in lakhs</u>
Exports of vehicles	3,235.13	2,306.09
Export of spare parts	70.58	45.54
	<u>3,305.71</u>	<u>2,351.63</u>

36. Expenditure in foreign currency (on accrual basis) :

	<u>2014-2015</u>	<u>2013-2014</u>
	<u>Rs. In lakhs</u>	<u>Rs. In lakhs</u>
Travelling and conveyance	26.77	15.52
Other borrowing costs (Discounting charges)	–	1.75
Royalty	17.36	13.57
Know how	17.70	–
	<u>61.83</u>	<u>30.84</u>

37. Based on the information and records presently available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

38. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arms length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

39. The Company has taken certain premises under operating lease arrangements. The total lease rental recognized as expense aggregate to Rs. 329.54 lakhs (previous year Rs. 254.09 lakhs).

Future minimum lease payments under non-cancellable operating leases:

	<u>2014-2015</u>	<u>2013-2014</u>
	<u>Rs. In lakhs</u>	<u>Rs. In lakhs</u>
Not later than one year	54.07	51.80
Later than one year and not later than five years	136.21	107.63

40. The following table sets out status of employee benefits as required under AS-15 (revised), "Employee Benefits" as at and for the year ended 31 March 2015 and 31 March 2014:

I Defined Contribution Plans:

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss towards contribution to the following funds:-

Particulars*	<u>2014-2015</u>	<u>2013-2014</u>
	<u>Rs. In lakhs</u>	<u>Rs. In lakhs</u>
Employers contribution to Provident Fund	648.38	532.63
Employers contribution to Superannuation	124.29	90.00
Employers contribution to ESIC	3.45	4.27

* Included in contribution to provident and other funds in Note 24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

II Defined Benefit Plan (Gratuity):

General description of defined benefit plan/other long term benefit plan:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vest after five years of continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

i. The Changes in the present value of obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Present value of obligation as at beginning of year	2,157.02	1,688.03
Interest cost	164.55	147.61
Current service cost	228.00	152.80
Benefits paid	(121.67)	(131.86)
Actuarial loss on obligation	781.83	300.44
Present value of obligations as at end of year	3,209.73	2,157.02

ii. The Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Fair value of plan assets at beginning of the year	709.30	600.62
Expected return on plan assets	69.39	55.52
Contributions paid by employer	245.17	185.35
Actuarial gain / (loss)	2.40	(0.33)
Benefits paid by the plan	(121.67)	(131.86)
Fair value of plan assets as at end of the year	904.59	709.30

iii. The amounts recognized in Balance sheet are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Present value of obligation as at the end of the year	3,209.73	2,157.02
Fair value of plan assets as at the end of the year	904.59	709.30
Funded Status	(2,305.14)	(1,447.72)
Excess of actual over estimated	—	—
Net liability recognized in Balance sheet	2,305.14	1,447.72

iv. The amounts recognized in Statement of Profit and Loss are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Current service cost	228.00	152.80
Interest cost on obligation	164.55	147.61
Expected return on plan assets	(69.39)	(55.52)
Net actuarial loss recognized in the year	779.42	300.77
Total expenses recognized in the Statement of Profit and Loss *	1,102.58	545.66

* Included in contribution to provident and other funds in note 24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

v. Principal actuarial assumptions at the Balance Sheet date are as follows:

Actuarial Assumptions	As at 31 March 2015	As at 31 March 2014
Mortality table	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate
Attrition rate	5.00% p.a	5.00% p.a
Discount rate	7.85% p.a	9.10% p.a
Future salary rise	9.00% p.a	8.00% p.a
Expected return on plan assets	9.00% p.a	8.85% p.a
Economic Assumptions		
Remaining working life	18.75 years	19.16 years
Retirement age	58.00 years	58.00 years

vi. Amount recognized in current year and previous four years :

Particulars	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Present value of defined benefit obligation as at end of year	1,127.60	1,338.08	1,688.03	2,157.02	3,209.73
Fair value of plan assets as at end of year funded status	285.15	431.42	600.62	709.30	904.59
Surplus / (Deficit)	842.45	906.66	1,087.41	1,447.72	2,305.14
Experience adjustment on plan liabilities (loss) / gain	195.22	127.26	174.73	164.43	326.95

The major categories of plan assets as a percentage of total plan assets as at 31 March 2015 are as follows:

	2014-2015	2013-2014
Insurer Managed Funds	100%	100%

Note: The estimates of future salary increase considered in actuarial variation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Company expects to contribute approximately Rs. 300.00 lakhs to the Gratuity Fund during financial year 2015-16.

Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. These benefits include compensated absences and performance incentives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

41. Research and development costs are as follows :

	<u>2014-2015</u> Rs. In lakhs	<u>2013-2014</u> Rs. In lakhs
a. Revenue expenditure		
Salaries, wages and compensated absences	718.71	600.23
Contribution to provident and other funds	58.27	46.52
Cost of materials consumed	211.34	194.22
Testing and other laboratory expenses	126.49	94.13
Travelling and conveyance	54.03	52.29
Others	158.69	152.57
Total	<u>1,327.53</u>	<u>1,139.96</u>
b. Capital expenditure		
– Capitalised	152.06	632.15
– Work-in-progress	251.02	0.71

42. Details in respect of dividend remitted during the year in foreign currency :

- Number of Non-resident shareholders: 1 (Previous year 1)
- Number of shares held as on record date: 2,170,747 (Previous year 2,170,747)
- Amount remitted during the year: Rs. 6,512,241 (Previous year Rs. 17,365,976)
- Financial Year to which dividend pertains : 2013-14 (Previous year 2012-13)

43. Particulars of the foreign currency exposures that are not hedged by a derivative instrument or otherwise:

Particulars	Currency Denomination	As at 31 March 2015		As at 31 March 2014	
		Foreign Currency Amount in lakhs	Amount in Rupees in lakhs	Foreign Currency Amount in lakhs	Amount in Rupees in lakhs
Trade payables	Japanese Yen	38.12	19.86	48.98	29.04
Trade payables	Euro	0.11	7.39	0.78	65.13
Trade Payables	USD	1.15	71.67	-	-
Trade receivables	USD	-	-	4.97	298.96
Advance from Customer	USD	1.94	121.00	3.65	219.66

- The cash credit limits sanctioned by the bankers are secured by a first charge by way of hypothecation of the Company's current assets i.e. stocks of raw materials, semi-finished goods, finished goods, stores and spares, bills receivables including receivables from hire purchase/ leasing, book debts and other movables of the Company (both present and future) and also by way of a collateral pari passu second charge on the Company's fixed assets.
- The Company had in an earlier year taken loans from Financial Institutions against first charge on its movable and immovable property. The said loans have since been repaid. However, the charges in respect of these loans are in the process of being vacated.

45. As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting health care, sanitation, safe drinking water, supporting education (including infrastructure) of underprivileged children / girl child. Expenditure was incurred on such activities throughout the year, as specified in Schedule VII of the Companies Act, 2013.
46. During the year ended 31 March 2015, the Company has revised useful lives of certain fixed assets based on internal technical evaluation with effect from 1 April 2014. Accordingly, the useful lives of certain assets required a change from the previous estimated useful life.

The revised useful lives alongwith useful lives as per earlier estimates are as below:

Category of assets	Earlier useful life (Years)	Revised useful life (Years)
Building - Roads	61.4	10
Building - Tubewell	61.4	5
Plant and Equipment (Jigs and fixtures)	8.8	5-10
Plant and Equipment (others)	21	2 - 15
Furniture and Fixtures	15.8	10
Office Equipment (CCTV cameras)	21	3
Office Equipment (other than CCTV cameras and air conditioners)	21	5
Vehicles (other than motors cars and two wheelers)	8.8	8
Vehicles (two wheelers)	8.8	10
Computers (Server and networking)	3	6

As a result of this change, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 580.39 lakhs which has been charged to Statement of Profit and Loss.

47. During the current year, the Company has adjusted Provision for tax amounting to Rs. 6,836.69 lakhs (previous year Rs. Nil) with outstanding advance tax/ tax deducted at source for the respective years for which Income-tax assessments have been completed/ closed. This has been done to align the amounts as per the books of accounts with the relevant Income-tax records.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF SML ISUZU LIMITED

For B S R & Company
Chartered Accountants
Firm Registration Number : 128032W

GOPAL BANSAL
Whole Time Director & CFO

S.K. TUTEJA
Chairman

MANISH GUPTA
Partner
Membership Number : 095037
Place : New Delhi
Date : 08 May 2015

PARVESH MADAN
Company Secretary

EIICHI SETO
Managing Director & CEO

New Delhi, 08 May 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SML ISUZU LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SML Isuzu Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated 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 controls, 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 the 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 controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 on the financial statements.

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, of the state of affairs of the Company as at 31 March 2015 and its profit and its 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 Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
 - e. on the basis of written representations received from the directors as on 31 March 2015 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 Section 164 (2) of the Act; and
 - 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 the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer to Note 27 of the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B S R & Company
Chartered Accountants
Firm Registration No.: 128032W

Manish Gupta
Partner
Membership No.: 095037

Place: New Delhi
Date : 08 May 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the Company has a regular programme of physical verification of its fixed assets in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the Company during the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory, except materials-in-transit and stock lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
(b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) According to the information and explanations given to us, we are of the opinion that there are no companies, firms or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain items of inventories and fixed assets are for the Company's specialised requirements and therefore suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets, and with regard to sale of goods and services. *Considering the size of the Company and the nature of its business, internal control procedures over obtaining comparable quotations for purchase of inventories and fixed assets have been strengthened during the year. We have not observed any major weakness in the internal control system during the course of the audit.*
- (v) The Company has not accepted any deposits covered under Section 73 to 76 of the Act.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the activities carried out by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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, duty of customs, duty of excise, value added tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. Further, according to the information and explanations given to us, except as stated below, there are no dues of income tax, sales tax, service tax, duty of excise and value added tax which have not been deposited by the Company on account of disputes:

Name of the statute	Particulars	Amount Disputed Rs. Lakhs	Amount Deposited Rs. Lakhs	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Demand raised for difference in the rate of tax	218.23	87.30	1 st April 2000 to 30th September 2000	Sales Tax Appellate Tribunal, Chandigarh.
Punjab VAT Act, 2005	Vehicles impounded & demand raised due to discrepancy in / inadequacy of documents	1.57	0.39	August, 2007	Deputy Excise and Taxation Commissioner cum Joint Director Enforcement, Patiala.
U P Trade Tax Act, 1948	Demand raised due to sales tax rate difference.	15.94	7.20	1993-94	Additional Commissioner (Appeals), Lucknow
Punjab VAT Act, 2005	Wrong input tax credit taken in the returns	67.76	67.76	2009-10	Deputy Excise & Taxation Commissioner Appeals, Patiala
Gujarat Sales Tax Act, 1969	Sales return/branch transfers documents could not be produced during the assessment, so the tax on the sales return amount has been charged by the department.	161.68	Nil	2008-09	Joint Commercial Tax Commissioner (Appeals)
U P Trade Tax Act, 1948	Rejection of Form 3D (UPSRTC Department) 2005-2006	5.80	0.87	2005-06	Assistant Commissioner Grade-II
Karnataka Value Added Tax Act, 2003	Rejection of Input Tax credit against the warranty claim bills 2006-07	1.19	0.36	2006-07	Commercial Tax Officer (Audit-2)
Karnataka Value Added Tax Act, 2003	Rejection of Input Tax credit against the warranty claim bills 2007-2008.	1.48	0.44	2007-08	Commercial Tax Officer (Audit-2)
Kerala Value Added Tax Rules, 2005	Rejection of F forms due to some clerical error	93.40	28.02	2011-12	Assistant Commissioner Special Circle-Trivandrum
Maharashtra Value Added Tax Act-2002	Sales return/branch transfers documents could not be produced during the assessment, so the tax on the sales return amount more than six months has been charged by the department	84.49	45.26	2008-09	Joint Commercial Tax Commissioner (Appeals)
Kerala Value Added Tax Rules, 2005	Stock Yard Address not mentioned on Invoice	1.42	0.43	2010-11	Assistant Commissioner Special Circle-Trivandrum
Kerala Value Added Tax Rules, 2005	Non-availability Sufficient information & documents	2.56	0.77	2011-12	Assistant Commissioner Special Circle-Trivandrum

Bihar Value Added Tax Rules, 2005	Delay in submission of F forms	2.36	0.45	2012-13	Patna Sales Tax Tribunal
	Sub Total	657.88	239.25		
Central Excise Act, 1944	Demand raised to re-determine the assessable value of components supplied to spare parts division under Rule 7 of Valuation Rules	4.25 (includes penalty Rs. 2.12 lakhs)	2.13	1 April, 2000 to 31 March, 2004	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Demand raised for non-inclusion of cost of publicity items sold to dealers on trading basis as part of Transaction Value	3.19 (includes penalty Rs 0.30 lakhs)	Nil	1 January, 2004 to 30 September, 2004	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Inadmissible Service tax credit utilized for payment of service tax liability resulting in short payment of excise & service tax liability	5.70 (includes penalty Rs. 2.85 lakhs)	Nil	2005-06	Commissioner (Appeals)
Finance Act, 1994	Denial of utilization of service tax credit for payment of service tax liability	5.70 (includes penalty Rs 2.85 lakhs)	Nil	2005-06	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Demand raised for non-inclusion of cost of publicity items sold to dealers on trading basis as part of Transaction Value	1.94	Nil	October-2004 to March-2005	Hon'able Supreme Court of India
Central Excise Act, 1944	Demand raised for non-inclusion of cost of publicity items sold to dealers on trading basis as part of Transaction Value	1.89	Nil	October-2006 to June-2008	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Demand raised for non-inclusion of cost of publicity items sold to dealers on trading basis as part of Transaction Value	5.79 (includes penalty Rs. 2.90 lacs)	Nil	April-2005 to January-2006	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Demand raised for Service Tax Credit taken on Canteen services where part of cost of food recovered from employees	4.26 (includes penalty Rs. 2.13 lacs)	Nil	April-2006 to December 2008	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Demand raised for Service Tax Credit taken on Canteen services provided to employees where cost of food borne by the Company.	3.36	Nil	April-2006 to December-2008	Custom Excise and Service Tax Appellate Tribunal (CESTAT)

Central Excise Act, 1944	Demand raised for levy of Education Cess and Secondary Higher Education Cess on Automobile Cess	3.62 (includes penalty Rs. 1.81 lakhs)	Nil	April -2008 to June -2009	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Demand raised for levy of Education Cess and Secondary Higher Education Cess on Automobile Cess Paid	4.05 (includes penalty Rs. 1.83 lakhs)	Nil	April-2010 to September-2011	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Imposition of penalty in relation to non compliance of Rule 10A by body builder	25.00	Nil	Dec.-2008 to July-2009	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Imposition of penalty in relation to Classification dispute of Ambulances fabricated & cleared from premises of body builder	300.00	Nil	April 2005 - to Nov-2009	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Service Tax credit taken on Freight & Insurance incurred from Place of Removal	8.66	Nil	01 March 2006 to 28 Feb-2008	Custom Excise and Service Tax Appellate Tribunal (CESTAT)
Finance Act, 1994	Penalty imposed on Service Tax credit wrongly taken	0.93	Nil	01 Oct. 2009 to 30 Sep.2010	Commissioner (Appeals)
Finance Act, 1994	Penalty imposed on wrong availment and reversal of Service Tax Credit on Canteen Service provided to the tune of cost recovered from Employees by the Company	1.15	Nil	01 June 2009 to 31 March 2011	Commissioner (Appeals)
	Sub Total	379.49	2.13		
Income Tax, 1961	Demand raised on disallowance of expenses, loading of statutory dues on Work-in-Progress under section 145(A) of Income Tax Act, 1961 and weighted R&D deduction.	101.55	88.61	2004-05	Income Tax Appellate Tribunal
Income Tax, 1961	Demand raised on disallowance of expenses, loading of statutory dues on Work-in-Progress under section 145(A) of Income Tax Act, 1961 and weighted R&D deduction.	94.79	94.79	2005-06	Income Tax Appellate Tribunal
Income Tax, Act, 1961	Demand raised on disallowance of expenses, loading of statutory dues on Work-in-Progress under section 145A of Income Tax Act, 1961 and weighted R&D deduction.	137.10	137.10	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand raised under section 271(1)(c) of Income Tax Act, 1961	50.88	50.88	2005-06	Income Tax Appellate Tribunal

Income Tax Act, 1961	Demand raised on disallowance of revenue expenditure incurred on expansion of business, excess provision made on account of Warranty, bad debts written off, interest on utilization of loan, Work-in-Progress under section 145A of Income Tax Act, 1961	476.33	476.33	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand raised on account Excise of Duty not loaded on Work-in-Progress u/s 145A	42.41	Nil	2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand raised u/s 271(1)(c)	82.82	82.82	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand raised on account of Excise Duty not loaded on Work-in-Progress u/s 145A	39.30	Nil	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand raised on account of Excise Duty not loaded on Work-in-Progress u/s 145A	54.64	Nil	2010-11	Commissioner of Income Tax (Appeals)
	Sub Total	1,079.82	930.53		

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current year and immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to any debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Company
Chartered Accountants
 Firm Registration No.: 128032W

Manish Gupta
Partner
 Membership No.: 095037

Place: New Delhi
 Date : 08 May 2015

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Company will be held at its Registered Office & Works at Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab on 24th September, 2015 (Thursday) at 1:30 PM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March 2015 and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Masaki Nakajima (DIN 06605180), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kyoichiro Takashima (DIN 06604412), who retires by rotation and being eligible, offers himself for re-appointment.
5. **Appointment of B S R & Associates LLP as Statutory Auditors**

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 139 and other applicable provisions of the Companies Act, 2013, and the rules framed there under, as amended from time to time, B S R & Associates LLP, Chartered Accountants, (Registration No. 116231W/W-100024) be and is hereby appointed as the Statutory Auditors of the Company in place of B S R & Company (Registration No. 128032W), who has expressed its inability to continue as Statutory Auditors of the Company post ensuing Annual General Meeting of the Company, to hold office for five years i.e. from the conclusion of this Annual General Meeting till the conclusion of 36th Annual General Meeting to be held in the year 2020, subject to ratification by the Members of the Company at every subsequent Annual General Meeting, at such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS

6. **Appointment of Mr. Masahiro Narikiyo as Director liable to retire by rotation**

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 Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Masahiro Narikiyo (DIN 07125220), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 27th March, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. **Appointment of Mr. Kimitoshi Kurokawa as Director liable to retire by rotation**

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 Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kimitoshi Kurokawa (DIN 07242673), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 7th August, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

NOTES:

1. The Explanatory Statement as required under Section 102 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 / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the scheduled time for holding the Meeting.

Every member entitled to vote at the Meeting or on any resolution to be moved thereat shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days' notice in writing of the intention so to inspect is given to the Company.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members/Proxy holders are requested to produce the Attendance slip duly signed, dated and stamped for admission to the Meeting Hall.
5. The Company's Registrar and Share Transfer Agent for its Share Registry Work (Physical and Electronic) are M/s MCS Limited having their office at Sri Venkatesh Bhavan, F-65, First Floor, Okhla Industrial Area, Phase I, New Delhi - 110 020.
6. The Register of Members and Transfer Books of the Company will be closed from 29th August, 2015 to 4th September, 2015 (both days inclusive).
7. The dividend, as recommended by the Board, if approved at the Annual General Meeting, would be paid / dispatched on or after 25th September, 2015 but within the statutory time limit, to those shareholders:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 28th August, 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 28th August, 2015.
8. The Register of Directors & Key Managerial Personnel and Register of contracts or arrangements in which Directors are interested shall be available at the Annual General Meeting and accessible during the continuance of the Meeting to any person having the right to attend the Meeting.
9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary of the Company at least 5 days before the date of the Meeting so that information required may be compiled and made available at the Meeting.
10. Notice of Annual General Meeting, Audited Financial Statements for the year ended 31st March, 2015 together with Report of Directors and Auditors' Report are also available on the website of the Company www.smlisuzu.com.
11. Pursuant to the provisions of Section 205A of the Companies Act, 1956 (corresponding Section 124 of the Companies Act 2013), the Company has transferred unclaimed dividends for and upto the financial year ended 31st March, 2007 to the Investor Education and Protection Fund (IEPF). 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. The Company has uploaded the information of unclaimed / unpaid dividend lying with the Company as

on 22nd September, 2014 (date of last Annual General Meeting) on the website of the Company (www.smlisuzu.com).

12. 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.
13. Members can avail 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 SH13, duly filled in, to Company's Registrar and Share Transfer Agent, M/s MCS Limited. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
14. 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 modification / 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 code, type of account and account number latest by 7th September, 2015 to Company's Registrar and Share Transfer Agent, M/s MCS Limited. Members located in places where ECS / NECS facility is not available may submit their bank details to M/s MCS Limited to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.
15. For receiving all shareholder communications faster in future, 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.
16. Members are requested to:
 - i. Intimate to the Company's Registrar and Share Transfer Agent, M/s MCS Limited, changes, if any, in their registered addresses, nomination, power of attorney etc. at an early date, in case of shares held in physical form.
 - ii. 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 held in dematerialised form. The Company will not take cognizance of any such requests directly from shareholders.
 - iii. Quote their folio numbers/Client ID/ DP ID in all correspondence.
 - iv. Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
17. Voting through electronic means :
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014, a Member of the Company may exercise his/her right to vote by electronic means (remote e-voting) in respect of the resolutions contained in this notice.

The Company is providing e-voting facility to its Members to enable them to cast their votes by electronic means. For this, the Company has engaged the services of National Securities Depository Limited (NSDL) as the Authorized Agency to provide e-voting facilities.

"Remote e-voting" means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

The "cut-off" date for determining the eligibility for voting either through electronic voting system or ballot paper is fixed as 17th September, 2015.

The instructions for e-voting are as under :

- A. In case a Member receives an e-mail from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)]:
- i. Open the e-mail 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. (You will not receive this PDF file if you are already register with NSDL for e-voting).
 - 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 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 - 102473) of SML Isuzu 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 authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to kanwalcs@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a member receives a physical copy of the Notice of AGM [For the members whose email IDs are not registered with the Company/Depository Participant(s)]:
- (i) Initial password along with 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 to the 'Frequently Asked Questions' (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of NSDL's E-Voting website: www.evoting.nsdl.com. You can also send your queries / grievances relating to e-voting to:-
- a. Name and Designation: Rajiv Ranjan, Asstt. Manager
 - b. Address: Trade World, A wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai-400013
 - c. Email Id : rajivr@nsdl.co.in
 - d. Phone Number(s) : 022 - 24994738
 - e. Toll free No: 1800-222-990

- 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 20th September, 2015 (9:00 AM) and ends on 23rd September, 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 17th September, 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.
- V. The facility for voting through ballot paper will also be made available at the Meeting and shareholders attending the Meeting who have not already cast their vote by remote e-voting will be able to exercise their right at the Meeting.
- VI. 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 at the Meeting.
- VII. 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, 17th September, 2015.
- VIII. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- IX. 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 17th September, 2015, may obtain the Login ID and password by sending a request at evoting@nsdl.co.in.
If the shareholder is already registered with NSDL for e-voting then he can use his existing User ID and password for casting the vote through remote e-voting.
- X. Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (Membership No. F - 5901) has been appointed as the Scrutinizer to scrutinize the e-voting process and voting at Annual General Meeting in a fair and transparent manner.
- XI. 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 a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Board who shall countersign the same.
- XII. As per Clause 35A of the Listing Agreement, the results of e-voting are to be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed, within 48 hours of the conclusion of the Annual General Meeting. The result declared alongwith the Scrutinizer's Report shall also be placed on the Company's website www.smlisuzu.com and on the website of NSDL.
- XIII. The resolutions shall be deemed to be passed on the date of the Annual general Meeting i.e. 24th September, 2015 subject to receipt of the requisite number of votes in favour of the resolutions.
18. The route map of the venue of the Meeting is attached to this Notice. The prominent landmark for the venue is that it is opposite to Gurudwara Tibbi Sahib (approx. 2 km from Ropar New Bus Stand).

Regd. Office & Works :
Village Asron,
Distt. Shahid Bhagat Singh Nagar
(Nawanshahr), Punjab-144 533
Email: investors@smlisuzu.com
CIN : L50101PB1983PLC005516
Website : www.smlisuzu.com
Dated: 7th August, 2015

By Order of the Board
for SML ISUZU LIMITED

(PARVESH MADAN)
Company Secretary

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 5 (although an Ordinary Business, explanation given for the information of shareholders)

B S R & Company, which was appointed statutory auditors of the Company, at the last Annual General Meeting held in September 2014, and which is a part of the network B S R Affiliates has expressed its inability to continue as Statutory Auditors of the Company after the ensuing Annual General Meeting of the Company. B S R & Associates LLP, which is a part of the same network, viz. B S R Affiliates, has expressed its willingness to be appointed as the statutory auditors of the Company after the ensuing Annual General Meeting of the Company.

A special notice has been received under section 140(4) of the Companies Act, 2013 ("the Act") from a Member proposing appointment of B S R & Associates LLP, Chartered Accountants, as the statutory auditors of the Company.

As required under the provisions of Section 139(1) of the Act, the Company has received a written consent from B S R & Associates LLP for its appointment and a Certificate to the effect that its appointment, if made, would be in accordance with the Act and the Rules framed thereunder and that it satisfies the criteria provided in Section 141 of the Act.

In the above background, the Board, on the recommendations of its Audit Committee has proposed the appointment of B S R & Associates LLP as statutory auditors of the Company for five years, subject to the approval of Members in the ensuing Annual General Meeting of the Company. Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The relevant documents related to this item are available for inspection on all working days from 11:00 AM to 3:00 PM at the Registered Office of the Company and copies thereof are available for inspection at the Corporate Office of the Company and will also be available during the Meeting.

Item No. 6

Mr. Masahiro Narikiyo was appointed by the Board as an Additional Director with effect from 27th March, 2015 on rotational basis. He holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act").

Mr. Narikiyo is a graduate in Commercial Science from Kobe University, Japan. He joined Sumitomo Corporation, Japan in 1984 and since then has held several positions in Construction Equipment Division and is currently the Chairman & Managing Director of Sumitomo Corporation India Private Limited. Mr. Narikiyo has around 31 years of experience in Transportation and Construction & Mining Equipment business.

Mr. Narikiyo is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent in writing to act as a Director of the Company.

It is the considered view of the Board that Mr. Narikiyo's knowledge and experience will be of immense value to the Company. Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for the approval by the Members.

Except for Mr. Narikiyo, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The relevant documents related to this item are available for inspection on all working days from 11:00 AM to 3:00 PM at the Registered Office of the Company and copies thereof are available for inspection at the Corporate Office of the Company and will also be available during the Meeting.

Item No. 7

Mr. Kimitoshi Kurokawa was appointed by the Board as an Additional Director with effect from 7th August, 2015 on rotational basis. He holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act").

Mr. Kurokawa is a graduate in Economics from Keio University, Japan. He joined Isuzu Motors Ltd., Japan in 1983 and since then has held several positions in International Sales promotion and is currently associated with Isuzu Motors Ltd. as Deputy Division Executive Sales Division No. 2. He has experience of over 32 years in the areas of Sales Promotion and International Sales.

Mr. Kurokawa is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent in writing to act as a Director of the Company.

Except for Mr. Kurokawa, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

It is the considered view of the Board that Mr. Kurokawa's knowledge and experience will be of immense value to the Company. Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for the approval by the Members.

The relevant documents related to this item are available for inspection on all working days from 11:00 AM to 3:00 PM at the Registered Office of the Company and copies thereof are available for inspection at the Corporate Office of the Company and will also be available during the Meeting.

Appointment / Re-appointment of Directors

Additional Information required to be given as per clause 49 of the Listing Agreement and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is given below :

Name of Director	Masaki Nakajima	Kyoichiro Takashima	Masahiro Narikiyo	Kimitoshi Kurokawa
Date of Birth (Age)	13.11.1962 (52 yrs)	20.07.1962 (53 yrs)	15.05.1960 (55 yrs)	15.04.1957 (58 yrs)
DIN No.	06605180	06604412	07125220	07242673
Original Date of Appointment	07.05.2013	11.02.2014	27.03.2015	07.08.2015
Qualification	Bachelor Degree from Waseda University, Japan	Graduate from Waseda University School of Commerce, Japan	Bachelor of Commercial Science Kobe University, Japan	Graduate in Economics from Keio University, Japan
Experience	<p>Mr. Nakajima was appointed on 7th May, 2013 as a Non Executive Director on our Board.</p> <p>Mr. Nakajima joined Sumitomo Corporation in 1985 and since then has held several positions in Automotive Departments and Corporate Planning & Coordination Department, and is Currently General Manager, Automotive Division.</p> <p>Mr. Nakajima has around 30 years experience in the areas of Automotive Business.</p>	<p>Mr. Takashima was appointed on 11th February, 2014 as a Non Executive Director on our Board.</p> <p>He joined Sumitomo Corporation in 1986 and since then has held several positions in Transport & Construction Systems Business Unit and is currently General Manager, Automotive Division No.1, Automotive Manufacturing Business Department.</p> <p>Mr. Takashima has around 29 years of experience in the Automotive segment.</p>	<p>Mr. Narikiyo was appointed on 27th March, 2015 as Additional Director on our Board.</p> <p>He joined Sumitomo Corporation in 1984 and since then has held several positions in Construction Equipment Division and is currently the Chairman & Managing Director of Sumitomo Corporation India Private Limited.</p> <p>Mr. Narikiyo has around 31 years of experience in the Transportation and Construction & Mining Equipment business.</p>	<p>Mr. Kurokawa was appointed on 07th August, 2015 as Additional Director on our Board.</p> <p>He joined Isuzu Motors Limited in 1983 and since then has held several positions in International Sales promotion and is currently Deputy Division Executive Sales Division No. 2.</p> <p>Mr. Kurokawa has experience of over 32 years in the areas of Sales Promotion and International Sales.</p>

Name of Director	Masaki Nakajima	Kyoichiro Takashima	Masahiro Narikiyo	Kimitoshi Kurokawa
Terms & Conditions of appointment including remuneration	All four appointments / re-appointments are on rotational basis and no remuneration (including sitting fee) is payable			
Board Membership of other companies as on March 31, 2015*	Nil	1. J.J. Impex (Delhi) Pvt. Ltd. 2. NKC Conveyors India Pvt. Ltd. 3. Munjal Kiri Industries Pvt. Ltd.	1. Sumitomo Corporation India Private Limited 2. J.J. Impex (Delhi) Pvt. Ltd.	Nil
Chairman [C]/Member [M] of the Committee of the Board of Directors of the companies in which he /she is a director as on March 31, 2015	Nomination & Remuneration Committee SML Isuzu Limited [M]	Nil	CSR Committee Sumitomo Corporation India Private Limited [C]	Nil
No. of Board Meetings attended during FY 2014-15	4	5	1 (Joined w.e.f. 27.03.2015)	NA (Joined w.e.f. 07.08.2015)
Number of shares held in the Company as on March 31, 2015	Nil	Nil	Nil	Nil

* This does not include position in foreign companies, position as an advisory board member and position in companies under Section 25 of the Companies Act, 1956 (corresponding to companies under Section 8 of Companies Act 2013) but included private limited companies.

Note: None of the above mentioned Directors is related to any other Director or KMP of the Company.

Regd. Office & Works :
Village Asron,
Distt. Shahid Bhagat Singh Nagar
(Nawanshahr), Punjab-144 533
Email:investors@smlisuzu.com
CIN : L50101PB1983PLC005516
Website : www.smlisuzu.com
Dated: 7th August, 2015

By Order of the Board
for SML ISUZU LIMITED

(PARVESH MADAN)
Company Secretary

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To the Members of SML ISUZU LIMITED

We have examined the compliance of conditions of Corporate Governance by SML Isuzu Limited ('the Company'), for the year ended on 31 March 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For B S R & Company

Chartered Accountants

Firm registration number: 128032W

Place: New Delhi

Date: 7 August 2015

Manish Gupta

Partner

Membership number: 095037

DECLARATION BY THE MANAGING DIRECTOR & CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I, Eiichi Seto, Managing Director & CEO of SML ISUZU LIMITED hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with Company's Code of Conduct for the Financial Year ended 31st March, 2015 in accordance with Clause 49 of the Listing Agreement.

Place : New Delhi

Date : 8 May 2015

EIICHI SETO

Managing Director & CEO

PROXY FORM

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

SML ISUZU LIMITED

(CIN: L50101PB1983PLC005516)

Registered Office & Works: Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab - 144 533

Tel. 01881-270255 **Fax :** (91) 1881-270223

Email: investors@smlisuzu.com **Website:** www.smlisuzu.com

Name of the Member (s):

Registered Address:

Email id:

Folio / DP ID-Client ID No.*:

** Applicable for investors holding shares in electronic form*

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

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

as my/our proxy to attend and vote for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Thursday, 24th September, 2015 at 1.30 P.M. at the Registered office at Village Asron, Distt. Shahid Bhagat Singh Nagar, Nawanshahr, Punjab - 144 533 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		Optional**	
Ordinary Business		For	Against
1	Adoption of Financial Statements, the reports of the Board of Directors and Auditors for the year ended 31st March, 2015		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Mr. Masaki Nakajima(DIN 06605180) as Director, who retires by rotation		
4	Re-appointment of Mr. Kyoichiro Takashima(DIN 06604412) as Director, who retires by rotation		
5	Appointment of B S R & Associates LLP as Statutory Auditors and fix their remuneration.		
Special Business			
6	Appointment of Mr. Masahiro Narikiyo(DIN 07125220) as Director liable to retire by rotation		
7	Appointment of Mr. Kimitoshi Kurokawa(DIN 07242673) as Director liable to retire by rotation		

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.
- A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- For the Resolutions, Notes and Explanatory Statement, please refer to the Notice of the 31st Annual General Meeting.
- **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.

ATTENDANCE SLIP

SML ISUZU LIMITED

(CIN: L50101PB1983PLC005516)

Registered Office & Works: Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab - 144 533

Tel . 01881-270255 **Fax :** (91) 1881-270223

Email: investors@smlisuzu.com **Website:** www.smlisuzu.com

31st Annual General Meeting - 24th September, 2015 (Thursday)

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

Name of the Shareholder/ Proxy

Address

Folio No.

DP ID*

Client ID*

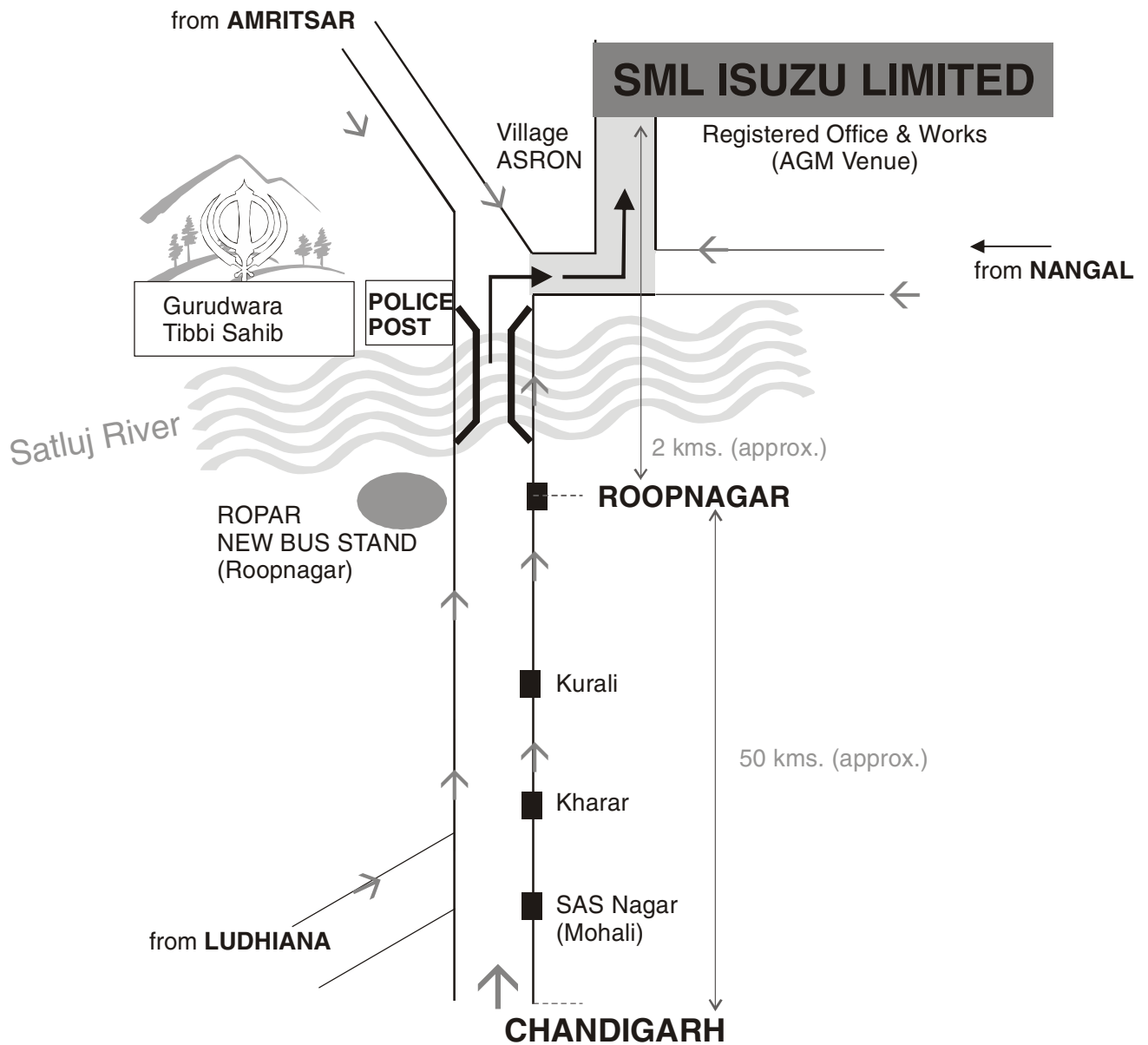
No. of Shares held

I/We hereby record my/our presence at the 31st ANNUAL GENERAL MEETING of the Company on 24th September, 2015 (Thursday) at 1:30 p.m. at its Registered Office at Village Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahr), Punjab - 144 533.

 *To be used for shares held in electronic form

SIGNATURE OF THE SHAREHOLDER/PROXY

ROUTE MAP FOR AGM VENUE



CHANDIGARH to SML ISUZU LTD., VILLAGE ASRON : 52 kms. (approx.)

FORM-A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company:	SML Isuzu Limited
2	Annual financial statements for the year ended	31 March 2015
3	Type of Audit observation	Un- qualified
4	Frequency of observation	NA
5	Signed by- Eiichi Seto <i>Managing Director & CEO</i> Gopal Bansal <i>Whole Time Director & CFO</i> Manish Gupta <i>Partner, B S R & Company</i> P. K. Nanda <i>Audit Committee Chairman</i>	