



# 28<sup>TH</sup> ANNUAL REPORT 2014-2015



**BHARAT SEATS LIMITED**

**BOARD OF DIRECTORS**

NARINDER DEV RELAN  
YOICHI KOJIMA  
VEERABHADRA RAO INALA  
ROHIT RELAN  
AJAY RELAN  
GIRISH NARAIN MEHRA  
PRATEEP KUMAR LAHIRI  
SHYAMLA KHERA  
KISHAN N. PARIKH  
RAVINDRA GUPTA  
ARVIND VARMA  
T.J. CHACKO

CHAIRMAN (DIN: 00240280)  
DIRECTOR-NOMINEE-SUZUKI MOTOR CORPORATION, JAPAN (DIN: 02973263)  
DIRECTOR-NOMINEE-MARUTI SUZUKI INDIA LIMITED (DIN: 00329370)  
MANAGING DIRECTOR (DIN: 00257572)  
DIRECTOR (DIN: 00257584)  
DIRECTOR (DIN: 00059311)  
DIRECTOR (DIN: 00039653)  
DIRECTOR (DIN: 06929439)  
DIRECTOR (DIN: 00453209)  
DIRECTOR (DIN: 01521168)  
DIRECTOR (DIN: 02225281)  
DIRECTOR (OPERATIONS) (DIN: 07005026)

**CORPORATE IDENTITY NUMBER**

CIN: L34300DL1986PLC023540

**BANKERS**

STATE BANK OF TRAVANCORE  
THE BANK OF TOKYO - MITSUBISHI UFJ LTD.  
YES BANK LTD.  
IDBI BANK LTD.

**REGD. OFFICE**

D-188, OKHLA INDUSTRIAL AREA, PHASE - 1,  
NEW DELHI - 110 020

**FACTORY**

PLANT 1  
PLOT NO. 1, MARUTI UDYOG JOINT VENTURE COMPLEX,  
GURGAON - 122 015 (HARYANA)

PLANT 2  
PLOT NO. MUSTIL NO. 226, KILA NO. 7/1,  
VILLAGE BHORAKALAN, TEHSIL - FARUKHNAGAR,  
GURGAON (HARYANA)

PLANT 3  
PLOT NO. 26, SECTOR-3A,  
MARUTI SUPPLIER PARK, IMT, MANESAR  
GURGAON (HARYANA)

**AUDITORS**

M/S S.S. KOTHARI MEHTA & CO.  
CHARTERED ACCOUNTANTS  
NEW DELHI

**LISTED AT**

BSE LIMITED

**CHIEF FINANCIAL OFFICER**

SANJEEV KUMAR

**COMPANY SECRETARY & COMPLIANCE OFFICER**

RITU BAKSHI

**REGISTRAR & SHARE TRANSFER AGENT**

M/S ALANKIT ASSIGNMENTS LIMITED  
1E/13, ALANKIT HEIGHTS,  
JHANDEWALAN EXTENSION,  
NEW DELHI - 110 055

**E-MAIL & WEBSITE**

Investor\_relations@bharatseats.net, www.bharatseats.com

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## **BHARAT SEATS LIMITED**

(CIN: L34300DL1986PLC023540)

**Registered Office:** D-188, Okhla Industrial Area, Phase I, New Delhi 110020

Email: [Investor\\_relations@bharatseats.net](mailto:Investor_relations@bharatseats.net), Website: [www.bharatseats.com](http://www.bharatseats.com)

Phone: 011-26815592, Fax: 0124-2341188

### **NOTICE**

**NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Friday, 17th July, 2015 at 11:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi - 110010 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 including the Audited Balance Sheet as at March 31, 2015, Profit & Loss Account for the year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. I. V. Rao (holding DIN: 00329370) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Yoichi Kojima (holding DIN: 02973263), who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED THAT M/s S.S. Kothari Mehta & Co., Chartered Accountants (ICAI Registration No. 000756N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

By Order Of The Board

Date : 15th April, 2015

Ritu Bakshi

Place : New Delhi

Company Secretary

#### **NOTES :**

1. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 11th July, 2015 to Friday, 17th July, 2015, both days inclusive, for annual closing and determining the entitlement of the shareholders to the Dividend for 2014-15.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself/ herself. Such 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.

The instrument of Proxy in order to be effective, should be deposited at the Registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, societies etc. must be supported by appropriate resolution/ authority as applicable.

3. The Dividend on Equity Shares, if declared at the meeting, will be paid on or after 17th July, 2015 to those shareholders whose names appear in the Register of Members on 17th July, 2015; in case of shares held in dematerialised form, the dividend thereon, will be paid to Beneficial Owners, as per details furnished by the Depositories, as on that date.
4. Members who hold shares in dematerialised form may kindly note that their Bank Account details, registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in dematerialised form, for deletion of or change in such Bank Account details. 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. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend, are requested to write to the Company.
5. Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, and Section 124(5) of the Companies Act, 2013, the Company has transferred the Unclaimed or unpaid dividends for the financial years ended 31st March, 1996 to 31st March,



2007 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

6. Dividend for the financial year ended 31st March, 2008 and thereafter which remain unpaid or unclaimed for a period of seven years from the date they became due for payment will be transferred to Investor Education & Protection Fund (IEPF). Members who have not encashed their Dividend warrants may approach the Registered office of the Company for revalidation of the Dividend warrants. The unpaid dividend for the financial year ended March 31, 2008 is due for transfer to IEPF on 3rd July, 2015. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. The Company has uploaded the information on the website of the Company & on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).
7. To prevent fraudulent transactions, members are requested to notify any change in address or demise of any member, as soon as possible.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore requested to submit the PAN to their Depository participants and members holding shares in physical form can submit their PAN details to the Company.
9. Details under clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General meeting, forms integral part of the notice.
10. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
11. Electronic copy of the Notice of the Twenty Eighth Annual General Meeting of the Company indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository participant, unless the member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Notice alongwith process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.
12. The Notice for the Annual general meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days between 9:30 a.m. to 11:30 a.m. upto the date of Annual General Meeting. The abovesaid shall also be available on the Company's website at: [www.bharatseats.com](http://www.bharatseats.com).
13. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s Alankit Assignments Limited, under the signature of the Sole/ First Joint holder, the following information to be incorporated on dividend warrants:
  - a. Name of the Sole/ First joint holder and the Folio Number.
  - b. Particulars of Bank Account, viz.:
    - Name of the Bank
    - Name of the Branch
    - Complete Address of the Bank with Pin Code Number
    - Account Type, whether Saving Account (SA) or Current Account (CA)
    - Bank Account Number
14. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary at least 7 days before the Annual General Meeting.
15. The Company has designated an exclusive e-mail ID namely, [investor\\_relations@bharatseats.net](mailto:investor_relations@bharatseats.net) for receiving and addressing investors' grievances.
16. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through the electronic mode. Members are requested to support this green initiative by registering/ updating their email addresses, in respect of shares held in dematerialised form with their respective Depository participants and in respect of shares held in physical form with the Company or its Transfer Agent.


**17. Voting options:**

- I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management And Administration) Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 28th Annual general meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited. (CDSL).
- II) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III) The members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM, but shall not be entitled to cast their vote again.
- IV) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member/beneficial owner, as on the cut off date i.e. 10th July, 2015. The remote e-voting period begins on Tuesday, 14th July, 2015 at 9:00 a.m. and ends on Thursday, 16th July, 2015 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10th July, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V) The process and manner for remote e-voting is as under:
  - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.



- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Bharat Seats Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- VI) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or send email to Company at [Investor\\_relations@bharatseats.net](mailto:Investor_relations@bharatseats.net) or contact the Company or Registrar & Share Transfer Agent.
- 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 i.e. 10th July, 2015.

- VIII) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as on the cut off date i.e. 10th July, 2015, may obtain the login ID and password by sending a request at helpdesk. evoting@cDSLindia.com or send email to Company at Investor\_relations@bharatseats.net. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot Use Details/Password' option available on www.evotingindia.com.
- IX) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X). Mr. A. K. Goyal, Company Secretary in Practice (Membership Number: 1565) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XI) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and 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 shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who can countersign the same and declare the result of the voting forthwith.
- XIII) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's

website [www.bharatseats.com](http://www.bharatseats.com) and will be communicated to the BSE Ltd. immediately after the declaration of result by the Chairman or a person authorized by him in writing.

**DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE**

**Re-appointment of Mr. I. V. Rao (Item no. 3)**

Under Section 152(6) of the Companies Act, 2013, one third of the Directors as are liable to retire by rotation, shall retire from office.

In compliance with Section 152(6) of the Companies Act, 2013, Mr. I. V. Rao retire at the forthcoming AGM and being eligible, offers himself for re-appointment.

Mr. I. V. Rao, 62, is a graduate in Mechanical Engineering, Osmania University and Post Graduate in Mechanical Design, IIT Kanpur. He joined the Board with effect from 14.02.2005. Mr. I. V. Rao has a wide experience in the field of technology transfer, design, product development and homologation, alongwith experience in production.

He is a member of the Board of Machino Polymers Limited. He is not a member of any Board Committee and does not hold any shares of the Company.

Except Mr. I. V. Rao, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in Agenda item no. 3.

**Re-appointment of Mr. Yoichi Kojima (Item no. 4)**

In compliance with Section 152(6) of the Companies Act, 2013, Mr. Yoichi Kojima retire at the forthcoming AGM and being eligible, offers himself for re-appointment.

Mr. Yoichi Kojima, 50, is a graduate in Law, Chuo University. He joined the Board with effect from 15.03.2010. Mr. Yoichi Kojima has a wide experience in the field of Marketing, Legal and HR. He is a director of Halla Visteon Climate Systems India Private Ltd., SKH Metals Ltd, J. J. Impex (Delhi) Private Limited and Suzuki Motor Gujarat Pvt. Ltd. He is not a member of any Board Committee and does not hold any shares of the Company.

Except Mr. Yoichi Kojima, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in Agenda item no. 4.

By Order Of The Board

Date : 15th April, 2015

Place : New Delhi

Ritu Bakshi  
Company Secretary

## DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 28th Annual Report together with the Audited Accounts for the year ended 31st March, 2015

### FINANCIAL RESULTS

Rupees in lakhs

PARTICULARS	2014-2015	2013-2014
NET REVENUE FROM OPERATIONS	69394.36	56003.83
OTHER INCOME	114.19	24.05
PROFIT BEFORE FINANCIAL CHARGES & DEPRECIATION	3401.21	2878.36
LESS: FINANCE COSTS	620.92	625.84
PROFIT BEFORE DEPRECIATION & TAXATION	2780.29	2252.52
LESS:		
A) DEPRECIATION	1642.25	1352.14
B) PROVISION FOR TAXATION		
- CURRENT TAX(NET OF MAT CREDIT ENTITLEMENT)	234.95	37.05
- TAXES PAID FOR EARLIER YEARS	-	1.85
- DEFERRED TAX	91.10	190.72
NET PROFIT AFTER TAX	811.99	670.76
ADD: BROUGHT FORWARD FROM PREVIOUS YEAR	50.00	50.00
PROFIT AVAILABLE FOR APPROPRIATION	861.99	720.76
<b>APPROPRIATIONS:</b>		
PROPOSED DIVIDEND	282.60	251.20
CORPORATE DIVIDEND TAX	57.53	42.69
TRANSFER TO GENERAL RESERVE	471.86	376.87
BALANCE CARRIED FORWARD TO BALANCE SHEET	50.00	50.00

### PERFORMANCE REVIEW

The gross revenue from operations and other income for the financial year under review was Rs. 78371.57 lacs as against Rs. 63,199.95 lacs for the previous financial year. The profit before finance costs, depreciation and taxation is Rs. 3401.21 lacs for the financial year under review as against Rs. 2878.36 lacs for the previous financial year, i.e. an increase by 18%. The profit after tax increased to Rs. 811.99 lacs, as compared to Rs. 670.76 lacs for the previous financial year, i.e. an increase by 21%. This is mainly due to increase in volumes and other cost saving measures by the Company.

### OPERATIONS

Your Company is well on the way to further growth. Your Company has already been awarded business of seat sets for the next models of Maruti Suzuki India Limited (MSIL), the production of which starts in April, 2015 and January, 2016.

During the year under review, your Company has manufactured and supplied extruded components for the prestigious top selling models of MSIL. Your Company has localized the raw materials used in the manufacture of extruded components. This has resulted in lower inventories, reduced dependence on imports and control on foreign currency fluctuations.

As regards the two wheeler business, your Company supplied Two wheeler seats and Sheet Metal fabricated parts for new models of Scooters and motorcycles to Suzuki Motorcycle India Private Limited.

Your Company also received further orders for their forthcoming models.

### DIVIDEND

Your Directors are pleased to recommend for the approval of the shareholders, a dividend of 45% (Re 0.90/- per share) for the financial year ended 31.03.2015.





## AWARDS AND RECOGNITION

Your company has received Recognition Award for Superior Performance in the field of Design and Development for the year 2014-15 at Annual Vendor Conference of MSIL.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013

All the related party transactions are repetitive in nature and are entered on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Agreement.

All Related party transactions are presented to the Audit Committee and the Board, on a quarterly basis. Omnibus approval is obtained for all the related party transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at the weblink:

[http://www.bharatseats.com/investors / Policy on Related Party Transactions](http://www.bharatseats.com/investors/Policy%20on%20Related%20Party%20Transactions)

The information relating to particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure I, forming part of this Report.

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

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 is annexed hereto as Annexure II, forming part of this Report.

## STATEMENT OF FORMAL ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, during the year, the Nomination and Remuneration Committee laid down the evaluation criteria for performance evaluation of all the directors.

The evaluation of Independent Directors was carried out by the entire Board and that of the Chairman and non-independent Directors, by the independent Directors.

This exercise was carried out through structured evaluation process covering various aspects of the Board such as composition of the Board/ Committees, experience, competencies, performance of specific

duties etc. Separate exercise was carried out to evaluate the performance of individual directors, including Board Chairman who were evaluated on the parameters such as attendance, contribution at the meeting, independent judgment etc. and was found to be satisfactory.

## DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

### I. RETIREMENT BY ROTATION

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Mr. Yoichi Kojima (DIN: 02973263) and Mr. I.V. Rao (DIN:00329370) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their re-appointment.

### II. APPOINTMENT

The following Directors were appointed during the year:

- Mrs. Shyamla Khera (DIN: 06929439), was appointed as an Independent Director w.e.f. 21.07.2014, for a period of five years.
- Mr. Arvind Varma (DIN: 02225281) was appointed as an Independent Director w.e.f. 21.10.2014 for a period of five years.
- Mr. T. J. Chacko (DIN: 07005026) was appointed as Director (Operations) w.e.f. 01.12.2014 for a period of three years.

### III. CESSATION

During the year, Mr. Gautam Khaitan, Director resigned w.e.f. 20.05.2014. The Board placed on record its appreciation for the valuable services rendered by Mr. Gautam Khaitan.

### IV. KEY MANAGERIAL PERSONNEL (KMP)

During the year, Mr. Rohit Relan, Managing Director, and Mr. T. J. Chacko, appointed as Director (Operations) were designated as KMP.

In addition to above, Mr. Sanjeev Kumar, CFO and Ms. Ritu Bakshi, Company Secretary were designated as KMP.

## COMPANIES WHICH BECAME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Toyo Sharda India Pvt. Ltd. is a newly incorporated Associate Company.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement with the Stock Exchange, the report on Corporate Governance and Management Discussion and Analysis Report have



been included in this Annual Report as separate section, alongwith the Auditors' Certificate.

**DETAILS OF DEPOSIT AS PROVIDED UNDER CHAPTER V OF THE COMPANIES ACT, 2013**

- (a) Accepted during the year  
Your Company has not accepted any deposits within the meaning of Section 2(31), read with section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.
- (b) Remaining unpaid or unclaimed as at the end of the year : None
- (c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year : None
- (d) Details of deposit which are not in compliance with the requirement of Chapter V of the Act : None

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGISTRARS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**  
None

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

A strong internal control culture is prevalent in the Company. A formalised system of internal controls facilitates effective compliance with Clause 49 of the Listing Agreement. The Internal Auditor monitors the compliance with the objective of providing to the Audit Committee and the Board of Directors an independent and reasonable assurance on the adequacy and effectiveness of the organisation's governance processes.

**LISTING**

The Equity shares of the Company are listed at Bombay Stock Exchange. The Company has paid listing fees to the Stock Exchange for the year: 2014-2015.

**CSR REPORT**

The Corporate Social Responsibility Report as provided in Companies (Corporate Social Responsibility Policy) Rules, 2014 is as per Annexure III attached.

**EXTRACT OF ANNUAL RETURN**

Extract of Annual return as provided under sub section (3) of Section 92 of the Companies Act, 2013 is as per Annexure IV attached.

**NUMBER OF MEETINGS OF THE BOARD**

Forms part of Corporate Governance Report

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that :

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- (b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2015 and of the Profit or Loss of the Company for the year ending 31st March, 2015;
- (c) Proper and sufficient care has been taken 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;
- (d) The annual accounts have been prepared on a going concern basis.
- (e) Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively.
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**DISCLOSURE AS REQUIRED UNDER SUB RULE 2 OF RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

As per Annexure V

**DISCLOSURE IN BOARD'S REPORT**

Having regard to the provisions of the first proviso to section 136(1) of the Act, the annual report, excluding the information as required under section 197(12) of the Act read with Rule 5(1) of the Company (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is being sent to the members of the Company. The said information is available at the website of the Company and is available for inspection at the registered office of the company during working hours and any member interested in obtaining such information may write to be Company Secretary and the same will be furnished on request.

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB SECTION 6 OF SECTION 149**

Received from all Independent Directors.

**COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS AS PROVIDED UNDER SUB SECTION(3) OF SECTION 178 OF THE COMPANIES ACT, 2013**

The Company has formulated a Nomination And Remuneration Policy as per Annexure VI. Details are provided in Corporate governance Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.**

None

**STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY**

1. In line with the new regulatory requirements, the Company has formally framed a Risk Management Policy to identify and assess the key risk areas and monitor the same.

The Board periodically reviews the risks and suggests steps to be taken to control the risks.

2. WHISTLE BLOWER POLICY

A fair and Transparent work culture has been core to the Company. To meet this objective, the Company had laid down the Whistle Blower Policy. The Board Approved the Whistle Blower Policy on 21st July, 2014.

**HUMAN RESOURCES**

Our relations with the employees are very cordial. Your Directors would like to place on record their appreciation of the commitment and efficient services rendered by all employees of the Company, without whose wholehearted efforts, the overall satisfactory performance of the Company would not have been possible.

**AUDITORS AND AUDITORS' REPORT****Statutory Auditors**

M/s S.S. Kothari Mehta & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for

any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**Secretarial Auditor**

The Board had appointed Ms. Nidhi Chawla, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure VII to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**ENVIRONMENT**

The Company is committed to the protection of environment and is not involved in any type of activity hazardous to environment. It strictly adheres to the provisions of environmental laws. There is no trade effluent generated by the Company, which may cause pollution. Our Company is an ISO14001 certified company.

**DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is the summary of the complaints received and disposed off during the financial year: 2014-2015:

- a) No. of complaints received: NIL
- b) No. of complaints disposed off: NIL

**ACKNOWLEDGEMENTS**

The Directors place on record their deep appreciation of the valuable assistance and co-operation extended to the Company by Suzuki Motor Corporation, Japan, Maruti Suzuki India Ltd., Suzuki Motorcycle India Private Limited, Toyo Seat Co. Ltd., Japan, Houwa Kogyo Co Ltd, Japan, Inoac Corporation, Japan, State Bank of Travancore, Bank of Tokyo-Mitsubishi UFJ Ltd., Yes Bank Ltd., IDBI Bank Ltd., various departments of Central Government and Haryana State Government. The directors convey their deep appreciation to employees at all levels for their commitment and collective team work.

Your support as shareholders is greatly valued .

Your Directors thank you and look forward to the future with confidence.

For and on behalf of the Board  
BHARAT SEATS LIMITED

PLACE : New Delhi

DATED : 15th April, 2015

(N. D. RELAN)

CHAIRMAN

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis: -NONE -**

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- Date(s) of approval by the Board
- Amount paid as advances, if any:
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	<b>MARUTI SUZUKI INDIA LIMITED, of which Bharat Seats Limited is an Associate Company</b>			
(b)	Nature of Contracts/arrangements/transactions	Sale, Purchase or Supply of Goods, Materials	Sale of tooling/ Job charges	Payment of Lease Rent	Purchase of Electricity
(c)	Duration of the contracts / arrangements/ transactions	- Transactions are repetitive in nature -			
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Upto a max. of Rs.1200 crores per annum	Upto a max. of Rs.50 crores per annum	Upto a max. of Rs.50 lakhs per annum	Upto a max. of Rs.30 crores per annum
(e)	Date(s) of approval by the Board, if any:	Board: 21.10.2014 Shareholders: 27.12.2014			
(f)	Amount paid as advances, if any	-			

(a)	Name(s) of the related party and nature of relationship	SHARDA MOTOR INDUSTRIES LIMITED, of which Bharat Seats Limited is an Associate Company	
(b)	Nature of Contracts/arrangements/transactions	Purchase of Goods, materials	Purchase of Tooling/ Job charges
(c)	Duration of the contracts / arrangements/ transactions	Transactions are repetitive in nature	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Upto a max.of Rs.500 crores per annum	Upto a max.of Rs.100 crores per annum
e)	Date(s) of approval by the Board, if any:	Board: 21.10.2014 Shareholders: 27.12.2014	
(f)	Amount paid as advances, if any	-	

**ANNEXURE II**

Information pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, forming part of Board of Directors' Report for the year ended 31st March, 2015.

**(A) CONSERVATION OF ENERGY**

- (i) the steps taken or impact on conservation of energy

The following steps have been implemented to save electricity:

At Gurgaon Plant :

1. Auto timers provided in PU and Assembly Plant to switch off exhaust fan and cooling fans during lunch and tea breaks.
2. Auto timers provided in non production area in canteen and tool room to switch off power during idle time.
3. In PU Plant, steam condensate water is being reused to generate steam.
4. Carpet plant heater height increased to reduce the cycle time.

At Manesar Plant :

1. In PU Plant, steam condensate water is being reused to generate steam
2. Wind blower have been provided on the roof.

At Borakalan Plant :

1. 250 KVA DG is being used in place of 500 KVA generator to prevent the wastage.
2. Auto timers provided in Plant to switch off power during lunch and tea breaks

- (ii) the steps taken by the Company for utilising alternate sources of energy  
as provided above

- (iii) the capital investment on energy conservation equipments  
None

**(B) TECHNOLOGY ABSORPTION****I. RESEARCH AND DEVELOPMENT(R&D)****1) Specific areas in which Research & Development work is carried out by your company is**

- a) Developing seating systems for passenger car as well as Sport utility vehicle.
- b) Moulded floor carpets, Luggage carpets
- c) Extruded components for vehicle roof & windshield insulation,  
all for Maruti Suzuki India Limited.
- d) Developing the Seats and the complete frame assembly for Suzuki Motorcycle India Private Ltd.

Currently the R&D department is engaged with the development of new models and refresh models, in above segments, slated for launch in coming few years.

The R&D department has successfully supplied the seating system for runway success model "Ciaz " from Maruti Suzuki. This seating system has features a notch above all ranges of seats, like –

For the export models to cold countries like Russia, a Heater mat has been provided for heating the seats. Similarly, Leather seat covers have been provided. This demands a very high level of craftsmanship and has introduced a unique kind leather cutting & stitching technology, etc. With successful launch of this product, personnel have gained immense knowledge and training in handling Products of higher standard and quality.

Besides this, the R&D department has successfully supplied many minor programs termed as "Refresh" in current platforms like Swift with 50:50 split rear seat, Alto export program, re-locating partial production volume of current product lines to newly established Manesar plant, etc.





### 2) Benefits derived as a result of above R&D

Ciaz seating system is being manufactured at the companies newly established plant in Manesar, which has helped improve utilisation of the plant's installed capacity.

To reduce the cost of development of jigs & fixture used in production plants, the R&D is developing more than 20% work in-house. This initiative will continue to be bolstered through people development, deployment of technologies, etc. at the in-house tool room .

### 3) Future Plan of action

Seats in a 4-wheeler are classified as a safety item as per CMVR (Central Motor Vehicle Regulations). It is not only an aesthetic part but also provides seating comfort to the occupant and therefore the design of the seat plays an important role. It is one of the most expensive commodity of the vehicle.

The Seat has a unique system that employs 4 different manufacturing technologies viz Metal forming & welding / PU foam manufacturing , Fabric cutting & sewing , Moulding and Plastic injection .

As manufactureres of all the above unique characteristics, it makes us a valued supplier of our esteemed customer.

In order to maintain the position of the preferred supplier of customer & keeping in mind the uniqueness of this product as stated above, your Company is laying immense emphasis on R&D's

- a) People development.
- b) Process based approach to manufacture and supply new products which will improve efficiency as well as quality of product .
- c) Upgradation of facility to facilitate and encourage people to do innovation in product as well as product development processes.

For the initiative #a above your company is engaging international players in the similar field for technology transfer like Toyo Seats from Japan for seating system design and Inoac from Japan for extrusion product line.

Experts from these reputed organisation frequently visit our production facility for Kaizen initiatives, R&D for people training, etc.

For initiative #b, stated above, your company is engaged in putting lot of thrust on digitisation of product development process, internal product quality standards and part quality standards.

For initiative #c above, your company is engaged in adding new facilities like

- 1) Product Benchmarking Room - This facility is to dismantle competing products in the market, to learn best technologies of product and product manufacturing processes, which shall over a span of year, help optimise the quality and cost of the product produced in your company and also keep the employees updated with the competitors' technologies.
- 2) Upgradation of Proto Making Facility – During the product development cycle, it becomes vital to check the quality of parts that goes in building the product & finally the quality of product that will go live in production plant.

This facility will simulate issues which may impede the quality of product & allied parts before going live in production plant which in turn helps in doing flawless launch with zero quality issues – The motto of every company that wants to scale up

Your company is engaged in upgrading this facility to bring it to highest level of standards by deploying best practices.

- 3) Upgradation of Testing Facility – As an endeavour to continuously increase efficiency and accuracy of product development your company is upgrading the test facility to bring it to international standard level. This not only includes adding digital state of the art instruments to do testing but also benchmarking the facility against international test labs.

All the above initiatives demonstrate the seriousness of the company on product innovation and quality.




**4) R&D Expenditure**

Your Company is undertaking Research and Development activities for development of varieties of new products, tooling and testing fixtures as per the requirement of esteemed customer besides internal initiatives as stated has resulted in capital & other expenditures as follows

- |  |                |
|--|----------------|
| a) Capital   | Rs. 31.00 lacs |
| b) Recurring   | Rs.129.08 lacs |
| c) Total   | Rs.160.08 lacs |
| d) Total R&D expenditure as a percentage of total turnover | 0.23%          |

**II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**
**(i) Efforts made towards Technology absorption**

Bharat Seats Limited is continuously undertaking product development / improvement for existing as well as new products with the help of inhouse resources as well as through technical assistance from technical collaborators. For this purpose, experts from Toyo Seats, Japan and Inoac Corporation, Japan had frequent visits to your Company to give special training on designing the process of new type of seats and also to add new product type seat mechanism.

**(ii) Benefits derived like Product improvement. Cost reduction, product development or import substitution.**

- Process based approach to manufacture has improved efficiency and quality of product.
- Inhouse deployment of technologies has reduced the cost of production.
- Flexible lines have been installed by your Company to meet the requirement of new models in a very short lead time.

**(iii) In case of imported technology, technology imported during the last three years reckoned from the beginning of the financial year**

DETAILS OF TECHNOLOGY IMPORTED	YEAR OF IMPORT	HAS TECHNOLOGY BEEN FULLY ABSORBED
(a)	(b)	(c)
<ul style="list-style-type: none"> <li>- For continuous improvement</li> <li>- For manufacture of moulded carpets and seating system for four wheelers</li> <li>- For Manufacture of Two Wheeler Seat Assemblies</li> <li>- For Manufacture of extruded components for automobiles.</li> </ul>	2012-2013	Yes
<ul style="list-style-type: none"> <li>- For continuous improvement</li> <li>- For manufacture of moulded carpets and seating system for four wheelers</li> <li>- For Manufacture of Two Wheeler Seat Assemblies</li> <li>- For Manufacture of extruded components for automobiles.</li> </ul>	2013-2014	Yes
<ul style="list-style-type: none"> <li>- For continuous improvement</li> <li>- For manufacture of moulded carpets and seating system for four wheelers</li> <li>- For Manufacture of Two Wheeler Seat Assemblies</li> <li>- For Manufacture of extruded components for automobiles.</li> </ul>	2014-2015	Yes

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms of actual inflows and actual outflows

Foreign exchange outflow on account of import of Capital Goods and raw materials amounted to Rs.1220.26 lakhs (Rs. 1128.57lakhs). Other expenditure in foreign currency relating to travelling, training and technical fees amounted to Rs. 288.82 lakhs (Rs. 270.66 lakhs). Remittances in foreign currency on account of dividend amounted to Rs.37,20,000/- ( Rs. 37,20,000/-).

(Figures in bracket pertain to last year)

**ANNEXURE III**
**CSR REPORT**

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.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the weblink for the same is: <a href="http://www.bharatseats.com/investors/csr_policy.pdf">www.bharatseats.com/investors/csr_policy.pdf</a>
2.	The Composition of the CSR Committee	1. Mr. Ravindra Gupta, Chairman 2. Mr. N. D. Relan 3. Mr. G. N. Mehra 4. Mrs. Shyamla Khera
3.	Average net profit of the company for last three financial years	Rs. 5,91,40,929/-
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 12,00,000/-
5.	Details of CSR spent during the financial year. (a) Total amount to be spent for the financial year; (b) Amount unspent , if any; (c) Manner in which the amount spent during the financial year is detailed below:	Rs. 12,00,000 Rs. 2,79,000

1	2	3	4	5	6	7	8
S.No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs 1. Local Area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
(a)	Health Care & Sanitation	Health Care & Sanitation	Delhi	2,21,000	2,21,000	2,21,000	2,21,000
(b)	Sports development	Sports development	Delhi	7,00,000	7,00,000	7,00,000	7,00,000

- The Committee decided that the balance amount of Rs.2,79,000/- may be contributed towards 'Welfare Centre for Persons with Speech & Hearing Impairment' or towards any of the activities, in accordance with the policy approved by the Committee.
- The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

sd/-  
ROHIT RELAN  
MANAGING DIRECTOR

sd/-  
RAVINDRA GUPTA  
Chairman-CSR Committee

**ANNEXURE IV****Form No. MGT-9****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]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L34300DL1986PLC023540
ii)	Registration Date	6 <sup>TH</sup> MARCH, 1986
iii)	Name of the Company	Bharat Seats Limited
iv)	Category / Sub-Category of the Company	Public Company
v)	Address of the Registered office and contact details	D-188, Okhla Industrial Area, Phase I, New Delhi 110020
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Alankit Assignments Limited. 1E/13, Jhandewalan Extn., New Delhi

**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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Car Seats Assemblies	2930	91%
2	Carpet Sets for Automobiles	2930	4%
3	Motorcycle seats	2930	3%
4	Other sales & traded goods	2930	2%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	<b>Maruti Suzuki India Limited</b>	L34103DL1981PLC011375	Joint Venture	14.81	2(6)
2	<b>Suzuki Motor Corporation, Japan</b>	FOREIGN COMPANY	Joint Venture	14.81	2(6)
3	<b>Sharda Motor Industries Limited</b>	L74899DL1986PLC023202	Associate	28.66	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	4958000	-	4958000	15.79	5035458	-	5035458	16.03	0.24
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	13693000	-	13693000	43.61	13683000	-	13683000	43.58	-0.03
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>18651000</b>	<b>-</b>	<b>18651000</b>	<b>59.40</b>	<b>18718458</b>	<b>-</b>	<b>18718458</b>	<b>59.61</b>	<b>0.21</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	4650000	-	4650000	14.81	4650000	-	4650000	14.81	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>4650000</b>	<b>-</b>	<b>4650000</b>	<b>14.81</b>	<b>4650000</b>	<b>-</b>	<b>4650000</b>	<b>14.81</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>23301000</b>	<b>-</b>	<b>23301000</b>	<b>74.21</b>	<b>23368458</b>	<b>-</b>	<b>23368458</b>	<b>74.42</b>	<b>0.21</b>



# BHARAT SEATS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	1000	-	1000	-	1000	-	1000	-	-
b) Banks / FI	34000	-	34000	0.11	34000	-	34000	0.11	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	20248	-	20248	0.06	0.06
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>35000</b>	<b>-</b>	<b>35000</b>	<b>0.11</b>	<b>55248</b>	<b>-</b>	<b>55248</b>	<b>0.17</b>	<b>0.06</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	586778	8010	594788	1.89	645342	8010	653352	2.08	0.19
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6128703	542516	6671219	21.25	5837975	520760	6358735	20.25	-1.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	741896	-	741896	2.36	908110	-	908110	2.89	0.53
c) Others (specify) TRUST	56097	-	56097	0.18	56097	-	56097	0.18	-
<b>Sub-total (B)(2):-</b>	<b>7513474</b>	<b>550526</b>	<b>8064000</b>	<b>25.68</b>	<b>7447524</b>	<b>528770</b>	<b>7976294</b>	<b>25.40</b>	<b>-0.28</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>7548474</b>	<b>550526</b>	<b>8099000</b>	<b>25.79</b>	<b>7502772</b>	<b>528770</b>	<b>8031542</b>	<b>25.58</b>	<b>-0.21</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>30849474</b>	<b>550526</b>	<b>31400000</b>	<b>100.00</b>	<b>30871230</b>	<b>528770</b>	<b>31400000</b>	<b>100.00</b>	<b>-</b>


**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	MARUTI SUZUKI INDIA LIMITED	4650000	14.81	-	4650000	14.81	-	-
2	SUZUKI MOTOR CORPORATION JAPAN	4650000	14.81	-	4650000	14.81	-	-
3	SHARDA MOTOR INDUSTRIES LIMITED	9000000	28.66	-	9000000	28.66	-	-
4	NARINDER DEV RELAN	1103500	3.51	-	1108950	3.53	-	0.02
5	ROHIT RELAN	650000	2.07	-	655000	2.09	-	0.02
6	AJAY RELAN	598200	1.91	-	619808	1.97	-	0.06
7	SHARDA RELAN	184500	0.59	-	193900	0.62	-	0.03
8	RITU RELAN	262500	0.83	-	272500	0.86	-	0.03
9	MALA RELAN	382500	1.22	-	398500	1.27	-	0.05
10	RISHABH RELAN	349000	1.11	-	349000	1.11	-	-
11	PRANAV RELAN	405500	1.29	--	410500	1.31	--	0.02
12	AYUSH RELAN	195800	0.62	-	195800	0.62	-	-
13	AASHITA RELAN	460500	1.47	-	465500	1.48	-	0.01
14	AASHIM RELAN	366000	1.17	-	366000	1.17	-	-
15	RELAN INDUSTRIAL FINANCE LTD.	43000	0.14	-	33000	0.11	-	-0.03
	Total	23301000	74.21		23368458	74.42		0.21




**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	23301000	74.21	67458	0.21
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	- AS PER ANNEXURE -			
	At the End of the year (31.03.2015)			23368458	74.42

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

Sl. No.	Top 10 Shareholders	Shareholding as on 1.4.2014		Shareholding as on 31.03.2015	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	NILAM KUMARI KAPUR	182328	0.58	192328	0.61
2	SANTOSH SITARAM GOENKA	136460	0.43	127548	0.41
3	M L BHANOT	98578	0.31	98578	0.31
4	LEKH RAJ CHANNA	87865	0.28		
5	PRABHA BHANOT	66000	0.21	66000	0.21
6	NASIRUDIN HYDERALI JAVERI	65511	0.21	67790	0.22
7	CUSTODIAN(SPECIAL COURT) A/C RASILA S MEHTA/ SUDHIR S MEHTA	56097	0.18	56097	0.18
8	AUCLITE CHEMICAL PRIVATE LIMITED	55000	0.18	55000	0.18
9	RAVINDRA DATTATRAYA SHEMAKAR	53600	0.17		
10	JALALUDIN JAFFERALI KAMDAR	51554	0.16		
11	SUNITA SANTOSH GOENKA			160400	0.51
12	SUPRIYA SANTOSH GOENKA			142601	0.45
13	ANGEL FINCAP PRIVATE LIMITED			58377	0.19

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year : on 1.4.2014		Shareholding at the end of the year: 31.3.2015	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MR NARINDER DEV RELAN	1103500	3.51	1108950	3.53
2	MR ROHIT RELAN	650000	2.07	655000	2.09
3	MR AJAY RELAN	598200	1.91	619808	1.97
4	MR G.N. MEHRA	20000	0.06	20000	0.06
5	MR KISHAN N.PARIKH	7500	0.02	7500	0.02

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Amount in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	87,30,74,967	14,92,38,089	-	1,02,23,13,056
ii) Interest due but not paid	1,86,526	-	-	1,86,526
iii) Interest accrued but not due	45,885	1,12,647	-	1,58,532
Total (i+ii+iii)	87,33,07,378	14,93,50,736	-	1,02,26,58,114
Change in Indebtedness during the financial year				
Addition	11,41,29,226	58,527	-	11,41,87,753
Reduction	(21,89,97,235)	(2,95,36,034)	-	(24,85,33,269)
Exchange Difference	3,38,59,288	(77,45,360)	-	2,61,13,928
Net Change	(7,10,08,721)	(3,72,22,867)	-	(10,82,31,588)
Indebtedness at the end of the financial year				
i) Principal Amount	80,22,60,453	11,20,69,342	-	91,43,29,795
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	38,204	58,527	-	96,731
Total (i+ii+iii)	80,22,98,657	11,21,27,869	-	91,44,26,526

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Amount in Rs.

Sl. no.	Particulars of Remuneration	Name of Managing Director/ Whole Time Director		Total Amount
		Mr. Rohit Relan	Mr. T. J. Chacko (appointed w.e.f.1.12.14,i.e, 4 months in current financial year)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	75,00,000	9,12,200	84,12,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,09,250	-	5,09,250
	(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 Contribution to provident Fund	10,20,750	68,594	10,89,344
	Total (A)	90,30,000	9,80,794	1,00,10,794
	Ceiling as per the Act/ Approval of Central government	90,30,000	9,80,794	1,00,10,794


**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors							Total Amount (Rs.)
		MR.MEHRA	MR. LAHIRI	MR. GUPTA	MRS. KHERA	MR. VARMA	MR. PARIKH	MR. KHAITAN	
1	Independent Directors								
	• Fee for attending board / committee meetings	6,40,000	6,00,000	5,00,000	3,20,000	40,000	40,000	40,000	21,80,000
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	6,40,000	6,00,000	5,00,000	3,20,000	40,000	40,000	40,000	21,80,000
		MR N. D. RELAN	MR Y. KOJIMA	MR I.V. RAO	MR AJAY RELAN				
2	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	6,00,000	1,40,000	1,40,000	80,000				9,60,000
	• Commission	-	-	-	-				-
	• Others, please specify	-	-	-	-				-
	Total (2)	6,00,000	1,40,000	1,40,000	80,000				9,60,000
	Total (B)=(1+2)	12,40,000	7,40,000	6,40,000	4,00,000	40,000	40,000	40,000	31,40,000

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sanjeev Kumar	Ms.Ritu Bakshi	Total (Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	15,71,250	9,00,591	24,71,841
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please Specify Provident Fund	97,664	48,816	1,46,480
	Total	16,68,914	9,49,407	26,18,321

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty					
Punishment					
Compounding					
<b>OTHER OFFICERS IN DEFAULT :</b>					
Penalty					
Punishment					
Compounding					

**ANNEXURE****REFER POINT IV (iii) OF FORM NO. MGT-9: CHANGE IN PROMOTER'S SHAREHOLDING: 1.4.14 TO 31.3.15**

Sr.No.	NAME	SHARE HOLDING AT THE BEGINNING OF THE YEAR	DATE OF TRANSACTION (TRANSFER)	NO.OF SHARES TRANSACTED	SHARE HOLDING AT THE END OF THE YEAR
1	NARINDER DEV RELAN	1103500	17/12/2014 25/02/2015	450 5000	1108950
2	ROHIT RELAN	650000	26/02/2015	5000	655000
3	AJAY RELAN	598200	29/04/2014 25/02/2015	16608 5000	619808
4	SHARDA RELAN	184500	16/05/2014 15/05/2014 14/05/2014 12/05/2014 11/05/2014	4100 900 2900 200 1300	193900
5	RITU RELAN	262500	29/04/2014	10000	272500
6	MALA RELAN	382500	29/04/2014	16000	398500
7	PRANAV RELAN	405500	25/03/2015	5000	410500
8	AASHITA RELAN	460500	25/03/2015	5000	465500
9	RELAN INDL.FIN.LTD.	43000	26/06/2014	-10000	33000
	Total	4090200		67458	4157658

**ANNEXURE V**
**DISCLOSURE AS REQUIRED UNDER SUB RULE 2 OF RULE 5 OF COMPANIES(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL)RULES, 2014**

EMPLOYED FOR THE FULL FINANCIAL YEAR : 2014-2015 :

NAME	DESIGNATION & NATURE OF DUTIES	REMUNERATION GROSS (RS.)	QUALIFICATIONS	DATE OF COMMENCEMENT OF EMPLOYMENT	TOTAL EXPERIENCE	AGE IN YEARS	LAST EMPLOYMENT	PERCENTAGE EQUITY
MR. ROHIT RELAN	MANAGING DIRECTOR	Rs.90,30,000/-	B.COM(HONS.) F.C.A., OWNER/ PRESIDENT MANAGEMENT PROGRAMME FROM HARVARD BUSINESS SCHOOL	6.3.1986	36YRS	59 YEARS	M/S S.P. MARWAH & CO., CHARTERED ACCOUNTANTS	2.09%

**NOTES:**

1. REMUNERATION INCLUDES PERQUISITES AND COMPANY'S CONTRIBUTION TO PROVIDENT FUND
2. THE NATURE OF EMPLOYMENT OF MR.ROHIT RELAN IS CONTRACTUAL.
3. MR.ROHIT RELAN IS RELATED TO MR.N.D.RELAN, CHAIRMAN AND MR. AJAY RELAN, DIRECTOR OF THE COMPANY

EMPLOYED FOR A PART OF THE FINANCIAL YEAR : 2014-2015:

NAME	DESIGNATION & NATURE OF DUTIES	REMUNERATION GROSS (RS.)	QUALIFICATIONS	DATE OF COMMENCEMENT OF EMPLOYMENT	TOTAL EXPERIENCE	AGE IN YEARS	LAST EMPLOYMENT	PERCENTAGE EQUITY
MR.ROHIT KAPUR	BUSINESS HEAD	Rs. 22,91,844	BACHELOR OF ENGINEERING	5.1.2015	22YRS	45 YEARS	LEAR CORPORATION LTD.	NIL

**NOTES:**

1. REMUNERATION INCLUDES PERQUISITES AND COMPANY'S CONTRIBUTION TO PROVIDENT FUND
2. NATURE OF EMPLOYMENT OF MR ROHIT KAPUR IS NOT CONTRACTUAL.
3. MR ROHIT KAPUR IS NOT A RELATIVE OF ANY DIRECTOR OF THE COMPANY.

**ANNEXURE VI**
**Nomination And Remuneration Policy of Bharat Seats Limited in terms of Section 178 of Companies Act, 2013 and Clause no. 49 B(5) of Listing Agreement with the Stock Exchange**
**Objective:**

To apprise and assure Board Members through Nomination and Remuneration Committee (hereinafter referred as Committee) regarding availability of framework for conducting company business efficiently by ensuring availability of requisite Talent, Reasonable and Sufficient Remuneration for retaining the Talent, Transparent Performance Evaluation and Reward System to Create High Performance Culture.

**Applicability:**

All employees in service of M/s Bharat Seats Limited including Directors, Key Management Personnel and Senior Management Personnel.

**Performance Evaluation Policy**

All employees are covered under following basic principles guiding the policy & process thereof:

**Basic Principles:**

- Objective and Transparent Performance Evaluation
- Alignment of Company Objectives and Individual Performance
- Suitably Rewarding High Performance
- Creating Performance Oriented Culture



### Process of Performance Evaluation:

- Company Objectives are defined on Year On Year basis in line with long term goals
- All department and individual Key Result Area (KRA) are defined in line with Company Objectives
- All employees up to Jr. Management level i.e. below Manager are evaluated on annual basis based on Management by Objective
- Manager and above level employees are evaluated on Quarterly basis against pre defined KRA
- Final evaluation of each employee in the organization is done in the month of March every year
- Each individual is appraised on individual performance and competence (level specific) on a 1 to 5 point scale (where 1 is lowest)
- KRA for next Performance Year are finalized
- Each individual is appraised at three levels to ensure correct evaluation

### Outcome of Performance Evaluation Exercise

- Career Plan for each position
- Training needs of incumbent
- Remuneration Enhancement
- Potential employee for future growth
- Performance Oriented Culture

### Remuneration

- Remuneration is based upon Level, Responsibilities of the position and Performance of incumbent
- Remuneration is divided into two parts i.e. Fixed Cost and Variable Pay,
- Variable Pay is further divided into two parts
  - Company Performance Pay
  - Individual Performance Pay
- All Statutory benefits are extended to employees Attracting, Retaining and Nurturing Talent Policy Attracting Talent
- New Position availability is based on sanctioned strength/ replacement looking at three years rolling organization structure
- Competence Based Hiring for all positions
  - Job related
  - Behavioral
- Internal & External Sourcing for each position
- Minimum Three rounds of personal meeting/ panel interview takes place for Manager & above level positions
- Each member evaluate the interviewee on prescribed format against position specific competence
- Manager & above level positions are finalized with involvement of Managing Director essentially

### Retention & Nurturing of Talent

- Fair Remuneration & other employee related policies
- Transparent Performance Evaluation and Rewards System
- Defined Career path and Development Opportunities for all without bias
- Individual Competence enhancement through Training
- Involvement in Improvements and Change on regular basis
- Open Door Policy for employees



**ANNEXURE VII****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]

To,  
The Board of Directors  
Bharat Seats Limited  
New Delhi

Dear Sirs

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

Based on my verification of the Company'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 31st March, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bharat Seats Limited ("The Company") as given in Annexure I, for the financial year ended on 31st March 2015, according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment 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;
    - 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 Regulations, 2009;
    - d. 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.
2. Provisions of the following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the company under the Financial Year under report:-
  - a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment were not attracted to the Company under the financial year under report.



4. I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure II.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

I further report that:

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 year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that based on the information received and records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under report, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- a. Approvals from shareholders obtained through postal ballot under Section 180(1)(a) and Section 180(1)(c) for exercising borrowing powers and for creating mortgage.

For Nidhi Chawla & Associates  
Company Secretaries

Nidhi Chawla  
Proprietor  
FCS : 6870  
COP : 10276

New Delhi  
15th April, 2015

**ANNEXURE I****List of documents verified**

1. Memorandum and Articles of Association of the Company
2. Annual Report for the financial year ended 31st March, 2014.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and CSR Committee alongwith the Attendance Register held during the financial year under report.
4. Minutes of General Body meetings held during the financial year under report.
5. Statutory Registers viz.
  - Register of Directors & KMP with their shareholdings.
  - Register of charges
  - Register of Contracts
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. E-forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof to the Registrar of Companies and the Central Government during the financial year under report.
9. Intimations / documents / reports/ returns filed with the Stock Exchange pursuant to the provisions of Listing Agreement during the financial year under report.
10. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for External Commercial Borrowings made by the Company.
11. Documents related to payments of dividend made to its shareholders during the financial year under report.
12. Approval received from Central Government under section 197 of the Companies Act, 2013 vide letter bearing No. SRN C23367865 / 4/ 2014 CL-VII dated 9th January, 2015 for approval for remuneration of Mr. Rohit Relan, Managing Director for the period from 01/10/2014 to 30/09/2016.



**ANNEXURE-II**

**List of applicable laws to the Company**

List of applicable laws to the Company and its plant situated at:

Registered office:

D-188, Okhla Industrial Area, Phase – 1, New Delhi – 110020

Plants:

1. Plot No. 1, Maruti Udyog Joint Venture Complex, Gurgaon – 122015
2. Plot No. Musttil No. 226, Kila No. 7/1, Village Bhoralakan, Tehsil Farukhnagar, Gurgaon
3. Plot No. 26, Sector-3A, Maruti Supplier Park, IMT, Manesar, Gurgaon

Under the major Group and Head

1. Factories Act, 1948;
2. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
3. Acts prescribed under the prevention and control of pollution
4. Acts prescribed under Environment protection
5. Acts as prescribed under Direct Tax and Indirect Tax
6. Labour Welfare Act of Haryana



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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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### INDUSTRY REVIEW AND MACRO ECONOMY

With the increasing growth in demand on back of rising income, expanding middle class and young population base, in addition to a large pool of skilled manpower and growing technology, will propel India to be among the world's top five auto-producers by 2015. The latest budget puts the growth target for 2015-2016 and subsequent years at 8.5 to 9%. India's CAD has also come down to around 1.9% of GDP. Two years back it was 4.7%.

India is expected to become a major automobile manufacturing hub and the third largest market for automobile by 2020.

Through the period when growth had slowed down and the economy was not very favorable, Maruti sustained its position as the market leader and continued to grow and this is attributable to higher localisation, favorable foreign exchange and cost reduction initiatives by the Company.

### FUTURE OUTLOOK

Bharat Seats Limited (BSL) is well positioned to exploit the growth opportunity. Your Company has been awarded business for various upcoming models of MSIL, the production of which will start this year and the following year, at the Company's plants at Gurgaon, Borakalan and Manesar. Your Company has received further orders for extruded components for new Models of MSIL for production at Borakalan Plant. Your Company has received further orders of Seats and frames for new models of Two Wheelers, from Suzuki Motorcycle India Private Ltd., the production of which shall start this year at Borakalan and Gurgaon Plant.

### RESEARCH & DEVELOPMENT

BSL is engaged in developing new models and refresh models for launch in coming years. Your Company has been trying to gear up its resources to provide complete solution, from design to start –of –production(SOP), to customer in order to keep abreast with competition. In order to maintain the position of valued supplier to our esteemed customer, your Company is laying emphasis on process based approach to manufacture and supply new products and upgradation of facility to do innovation in product as well as product development processes.

### OPPORTUNITIES AND THREATS

During the year, your Company focused its attention on long term initiatives despite challenging market situations, with special focus on Research and Development.

Besides, passenger car industry, your Company has focused its attention on design and development of Seating System and components for two wheelers of Suzuki Motorcycle India Private Ltd. Your Company has been awarded the order for seating system for the new model of Motorcycle the production of which will commence in 2015-2016.

### RISK AND CONCERNS

The management perceives the following as risk and concern for its business :

#### BUSINESS RISK

The Company is operating in the business of automotive components and the performance of auto component industry is largely dependent on the performance of automobile industry. The Company operates in an environment which is affected by various factors some of which are controllable, while others are outside the control of the Company. The Company is dependent on several factors such as changes in Government policies & legislation, economy's growth, market practices and pricing etc.

The global automotive manufacturers are expanding their production capacities in India, leading to global competition which can only be countered by maintaining low cost product development. Although rising inflation, interest rates and crude oil prices are concerns of short term, the Company is optimistic about medium and long term and is gearing up for growth. The Company is actively exploring all new business opportunities in terms of product diversification.

#### FINANCIAL RISK

The Company is exposed to the risks associated with fluctuations in foreign currency rates on account of imports and foreign currency loans. The company's sales and margins are subject to the market forces that affect Maruti and Suzuki Motorcycle India Private Ltd. Your Company reviews forward exchange contracts/ derivative contracts on a regular basis to analyse foreign



exchange exposure and confirms that the Company has a policy on foreign exchange risk management in place.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, reported and recorded correctly. Further internal audit covers all the areas e.g. Finance, Production, IT, HR, Purchase, Statutory Compliance etc. and regular audits are conducted by Internal Auditors. The Audit observations are periodically reviewed by the Audit Committee of the Board of Directors and necessary directions are issued, wherever required.

#### **FINANCIAL PERFORMANCE**

The details of the financial performance of the company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements forming part of this Annual report. For financial highlights please refer

heading 'FINANCIAL RESULTS' of Directors' Report.

#### **HUMAN RESOURCES AND DEVELOPMENT**

Industrial relations have continued to be harmonious throughout the year. BSL believes that success of any organization depends on its ability to recruit, train, deploy and retain good people. The company takes care of employee motivation and skill upgradation.

#### **CAUTIONARY STATEMENT**

Statements in the 'Management Discussion and Analysis' describing the company's objective, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable laws and regulations. The actual results could differ materially from those expressed or implied. The important factors that may effect the company's operations include demand & supply situation, input prices and their availability, change in Government policies/ regulations, tax laws and other statute. Therefore, all concerned should bear all above factors in mind.





**CORPORATE GOVERNANCE REPORT**  
**(FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED**  
**31ST MARCH, 2015)**

**A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe show keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage. Bharat Seats Ltd. recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders. The Company has Audit Committee, Stakeholders Relationship Committee, Nomination And Remuneration Committee and Corporate Social Responsibility Committee and these Committees report to the Board of Directors about the tasks assigned to them.

During 2014-15, the Board of Directors met four times on 16th April, 2014, 21st July, 2014, 21st October, 2014 and 19th Jan, 2015. The maximum gap between two Board meetings was less than one hundred twenty days.

The details of the composition of the existing Board of Directors is as under:

**B. BOARD OF DIRECTORS****1. Composition of the Board**

As on 31st March, 2015, the Company has a Non-Executive Chairman and the number of Independent Directors is fifty percent of the total number of Directors, including one woman Director. The Board of Company consisted of twelve directors, comprising 2 (two) Executive directors and 10 (ten) Non-Executive Directors (NEDs), of which 6(six) are independent. The Company is in compliance with the Clause 49 of the Listing Agreements pertaining to composition of Directors. The operations of the Company are looked after by Mr. T. J. Chacko, Director (Operations) under the superintendence and control of the Managing Director.

The day-to-day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors.

Sr. No.	NAME OF THE DIRECTORS (DIN)	DESIGNATION	CATEGORY	NO. OF OUTSIDE DIRECTORSHIP		NUMBER OF OUTSIDE COMMITTEES	
				PUBLIC	PRIVATE	MEMBER	CHAIRMAN
1.	MR NARINDER DEV RELAN DIN: 00240280	CHAIRMAN	PROMOTER/ NON-EXECUTIVE/ NON-INDEPENDENT	3	4	2	-
2.	MR.ROHIT RELAN DIN: 00257572	MANAGING DIRECTOR	PROMOTER/ EXECUTIVE/ NON-INDEPENDENT	2	4	-	-
3.	MR .YOICHI KOJIMA DIN: 02973263	DIRECTOR	NOMINEE – SUZUKI MOTOR CORPORATION/ NON-EXECUTIVE/ NON-INDEPENDENT	1	3	-	-
4.	MR AJAY RELAN DIN: 00257584	DIRECTOR	PROMOTER/ NON-EXECUTIVE/ NON-INDEPENDENT	2	4	-	-
5.	MR. I.V.RAO DIN: 00329370	DIRECTOR	NOMINEE – MARUTI SUZUKI INDIA LTD. NON-EXECUTIVE / NON-INDEPENDENT	1	-	-	-
6.	MR G.N.MEHRA DIN: 00059311	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	4	-	1	3
7.	MR P.K.LAHIRI DIN: 00039653	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	1	-	-	-
8.	MR RAVINDRA GUPTA DIN: 01521168	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-
9.	MR KISHAN N.PARIKH DIN: 00453209	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	3	4	4	-
10.	MRS SHYAMLA KHERA DIN: 06929439	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-
11.	MR ARVIND VARMA DIN: 02225281	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-
12.	MR T.J.CHACKO DIN: 07005026	DIRECTOR (OPERATIONS)	EXECUTIVE/ NON-INDEPENDENT	-	-	-	-

**NOTES:**

The Committees considered for the purpose are those prescribed under clause 49(I)(c) of the listing agreement. None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement) across all Public Limited Companies in which he is a Director.

All the relevant information, required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement are duly considered and taken on record / approved by the Board. Further, the Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

During the year, a separate meeting of the Independent Directors was held on 24.03.2015 without the attendance of Non Independent Directors. All the Independent Directors except Mr. K N Parikh attended the said meeting.

BOARD MEETING ATTENDANCE RECORD OF THE DIRECTORS IN 2014-2015 IS AS UNDER :

NAME OF DIRECTOR	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE AT LAST AGM HELD
MR. NARINDER DEV RELAN	4	YES
MR. ROHIT RELAN	4	YES
MR. YOICHI KOJIMA	4	YES
MR. AJAY RELAN	2	NO
MR. I.V.RAO	4	YES
MR. G.N.MEHRA	4	YES
MR. P.K.LAHIRI	4	YES
MR. GAUTAM KHAITAN****	1	N.A.
MR. KISHAN N.PARIKH	1	YES
MR. RAVINDRA GUPTA	4	YES
MRS. SHYAMLA KHERA*	3	N.A.
MR. ARVIND VARMA**	-	N.A.
MR. T. J. CHACKO***	1	N.A.

\* Mrs. Shyamla Khera was appointed w.e.f. 21.07.2014. 3 meetings were held during her tenure.

\*\* Mr. Arvind Varma was appointed w.e.f. 21.10.2014. 1 meeting was held during his tenure.

\*\*\* Mr. T. J.Chacko was appointed w.e.f. 1.12.2014. 1 meeting was held during his tenure.

\*\*\*\* Mr. Gautam Khaitan resigned w.e.f. 20.05.2014. 1 meeting was held during his tenure.

The Chairman of the Audit Committee attended the Annual general Meeting.

**2. Pecuniary Relationship**

Independent Directors do not have any pecuniary relationships or transactions with the Company except for the Sitting fees, drawn for attending the meetings of the Board and Committee(s) thereof.

**3. Board's Functioning & Procedures**

The Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussion. The members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the management towards the set goals and seeks accountability with a view to ensure that the corporate philosophy and mission viz., to create long term sustainable growth that translates itself into progress, prosperity and the fulfillment of stakeholders' aspirations, is accomplished. It also sets standards of corporate behavior and ensures ethical behavior at all times and strict compliance with Laws and Regulations.

The items placed at the Meetings of the Board include the following:

- Report on operations of all businesses including progress on ongoing projects.
- Opportunities for expansion, modernization, new projects.
- Financial plans and budgets and updates/ reviews thereof.
- Strategic and business plans and updates/ reviews thereof.
- Corporate performance against strategic and business plans.
- The unaudited quarterly financial results and the audited annual accounts of the company.
- Financial statements such as cash flow, inventories, sundry debtors, and/or other liabilities or claims of substantial nature.
- Status of borrowings and details of material foreign exchange exposures and the steps taken by the management to limit the risks of



adverse exchange rate movement, if any.

- Delegation of powers to the management.
- Any material default in financial obligations to and by the company.
- Review compliance of all laws applicable to the company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the company to rectify instances of non-compliances, if any.
- Material communications from Government including show cause notices, demand and penalty notices, if any, which are materially important.
- Communication to the Stock exchanges, the Shareholders and the press regarding Company's performance, future plans and other decision/changes of significant importance or of price sensitive nature.

All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The minutes of the meetings of the Board are individually given to all directors and confirmed at the subsequent Board Meeting. The Minutes of the various Committees of the Board are also individually given to the Board Directors and thereafter tabled for discussion at the subsequent Board Meeting.

### C. COMMITTEES OF THE BOARD

The Board of Directors has constituted the following Committees with adequate delegation of powers to discharge day-to-day affairs of the Company as well as to meet the exigencies of the business of the Company.

#### 1. Audit Committee

The composition and terms of reference of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and with Clause 49 of the Listing Agreement. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/ other management information, adequacy of provisions for liabilities,

and whether the audit tests are appropriate and scientifically carried out and that they are aligned with the realities of the business, adequacy of disclosures, compliance with all relevant statutes and other facets of Company's operation that are of vital concern to the Company. In particular, the role of Audit Committee includes the following:

#### I. The role of the Audit Committee:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;



7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the 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;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## II. Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

## III. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The meetings of Audit Committee were held on 16th April, 2014, 21st July, 2014, 21st October, 2014 and 19th Jan, 2015. The maximum gap between two meetings was less than four months.

The composition of the Audit Committee and the meetings attended by the members during the year are as follows:

S. No.	Name	Category	Status	No. of meetings held	No. of meetings attended
1	Mr. G. N. Mehra	Non-Executive/ Independent Director	Chairman	4	4
2	Mr. P. K. Lahiri	Non-Executive/ Independent Director	Member	4	4
3	Mr. Ravindra Gupta	Non-Executive/ Independent Director	Member	4	4
4	Mr. N. D. Relan	Non-Executive/Non-Independent Director	Member	4	4

Ms. Ritu Bakshi, Company Secretary acts as the Secretary of the Committee.

CFO, Internal Auditor and partner of Statutory Auditors are also invited to the meeting of the Audit Committee.



## 2. Nomination And Remuneration Committee

The meetings of Nomination And Remuneration Committee were held on 16th April, 2014, 21st July, 2014, 21st October, 2014 and 24th March, 2015.

The composition of Nomination And Remuneration Committee is as follows:

S. No.	Name	Category	Status	No. of meetings held	No. of meetings attended
1.	Mr. P. K. Lahiri	Non-Executive/ Independent Director	Chairman	4	4
2	Mr. N. D. Relan	Non-Executive/Non-Independent Director	Member	4	4
3	Mr. G. N. Mehra	Non-Executive/ Independent Director	Member	4	4
4.	Mr. Ravindra Gupta	Non-Executive/ Independent Director	Member	4	4

Ms Ritu Bakshi, Company Secretary acts as the Secretary of the Committee.

### Remuneration policy

The Committee's constitution and terms of reference are in compliance with the provisions of the Section 178 of The Companies Act, 2013 and Clause 49 of the Listing Agreement besides other terms as may be referred by the Board of Directors.

The appointment of Managing Director, as approved by the Central Government, is from the period: 1st October, 2011 to 30th September, 2016. The Managing Director is paid salary and perquisites within the overall limits, as approved by the Central Government.

The remuneration paid to the Managing Director, is as approved by the shareholders in the Annual General meeting held on 21st July, 2014, for a period of two years, from 1.10.2014 to 30.09.2016.

The appointment and remuneration paid to Mr. T. J. Chacko, Director (Operations) is as approved by shareholders by postal ballot, the result of which was declared on 27th December, 2014 for a period of three years, from 1.12.2014 to 30.11.2017.

For approving the Remuneration of Managing Director, the Nomination And Remuneration Committee and Board of Directors in their respective meetings on 16.4.2014, have approved the remuneration of Mr. Rohit Relan, Managing Director w.e.f. 1.10.2014.

For approving the appointment and Remuneration of Director (Operations), the Nomination And Remuneration Committee and Board of Directors in their respective meetings on 21.10.2014, have approved the remuneration of Mr. T.J. Chacko, Director (Operations) w.e.f. 1.12.2014.

The Interested Directors did not participate/vote in the meeting.

The terms of reference include:

- Formulation of policy for determining qualifications, positive attributes and independence of a Director & Remuneration for the Directors, Key Managerial Personnel and Senior Management and recommending the same to the Board and
  - Identification of person who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria as per the policy approved by the Board. The policy of the company is to remain competitive in the industry, to attract and retain the best talent and appropriately reward employed for their individual performance and contribution to the business.
- C. The Nomination and Remuneration Committee lays down the criteria for the performance evaluation of Independent Directors and other Directors, Board of Directors and committee of the Board of Directors.

The Non-Executive Director do not draw any remuneration from the company except the sitting fees which were paid at a rate of Rs. 20,000/- for meetings held in April, 2014 and at the rate of Rs.40,000/- for meetings held after April, 2014 ,for each meeting of the Board/Committee of the Board attended by them.



## BHARAT SEATS LIMITED

The details of salary, perquisites (including contribution to Provident Fund) and sitting fees paid to directors are given as under:

Name	Position	Gross Remuneration (Rs.)		Sitting Fee (Rs.)
Mr. N. D. Relan	Chairman			6,00,000
Mr. Rohit Relan	Managing Director	Salary	75,00,000	
		Allowances & Perquisites	5,09,250	
		Contribution to P.F.	10,20,750	
		Total	90,30,000	-
Mr. Y. Kojima	Director		-	1,40,000
Mr. I. V. Rao	Director		-	1,40,000
Mr. Ajay Relan	Director		-	80,000
Mr. G. N. Mehra	Director		-	6,40,000
Mr. P. K. Lahiri	Director		-	6,00,000
Mrs. Shyamla Khera	Director		-	3,20,000
Mr. Ravindra Gupta	Director		-	5,00,000
Mr. Kishan N. Parikh	Director		-	40,000
Mr. Arvind Varma	Director		-	40,000
Mr. T. J. Chacko	Director (Operations)	*Salary	5,04,000	
		Allowances & Perquisites	4,08,200	
		Contribution to P.F.	68,594	
		Total	9,80,794	
Mr. Gautam Khaitan	Director			40,000

\*Remuneration w.e.f. 1st December, 2014.

### 3. Stakeholders Relationship Committee

The Committee's composition and the terms of reference are in compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Stakeholders Relationship Committee is primarily responsible with various matters relating to :-

- Transfer/Transmission of shares.
- Issue of duplicate share certificate

- Review of shares dematerialized and all other related matters
- Monitors expeditious redressal of investors' grievances
- Non receipt of Annual Report and declared dividend
- All other matters related to shares.

The meetings were held on 16th April, 2014, 21st July, 2014, 21st October, 2014 and 19th Jan, 2015.

The composition of the committee and the details regarding meetings held and attended are given as under:

S. No.	Name	Category	Status	No. of meetings held	No. of meetings attended
1.	Mrs. Shyamla Khera	Non-Executive/ Independent Director	Chairperson	4	3
2	Mr. P. K. Lahiri	Non-Executive/ Independent Director	Member	4	4
3.	Mr. N. D. Relan	Non-Executive/Non-Independent Director	Member	4	4
4.	Mr. G. N. Mehra	Non-Executive/ Independent Director	Member	4	4
5.	Mr. Gautam Khaitan	Non-Executive/ Independent Director	Chairman	4	1

- Mr Gautam Khaitan resigned w.e.f. 20.05.2014 and Mrs. Shyamla Khera was appointed Chairman of the Committee w.e.f. 21.07.2014.





Details of the status of the complaints received during the year are as follows :

S. No.	Nature of Complaint	Received	Resolved	Pending
1	Non-receipt of dividend	-	-	-
2	Short Receipt of Dividend	-	-	-
3	Non-receipt of Demat Credit	-	-	-
4	Loss of Share Transfer Deeds	-	-	-
5	SEBI	-	-	-
6	Delay in Transfer of shares and non- receipt of share certificates	-	-	-
7	Non-receipt of Annual Report	-	-	-
8	Others	4	4	-

Ms. Ritu Bakshi, Company Secretary is the Compliance Officer.

There are no shares pending for transfer as on 31st March 2015.

#### 4. Corporate Social Responsibility(CSR) Committee

The Committee's constitution and terms of reference are in compliance with the provisions of the Section 135 of The Companies Act, 2013.

The Committee was constituted on 16.04.2014. The Committee discharge the role of CSR u/s 135 of The Companies Act 2013 which include formulating and recommending to the Board a CSR policy and indicating the activities undertaken by the Company as per Schedule VII of The Companies Act 2013.

The composition of the committee and the details regarding date of meetings held and attended are given as under:

Meeting held on 24th March 2015.

S. No.	Name	Category	Status	No. of meetings held	No. of meetings attended
1.	Mr. Ravindra Gupta	Non-Executive/ Independent Director	Chairman	1	1
2.	Mr. N. D. Relan	Non-Executive/Non-Independent Director	Member	1	1
3.	Mr. G. N. Mehra	Non-Executive/Independent Director	Member	1	1
4.	Mrs. Shyamla Khara	Non-Executive/Independent Director	Member	1	1

#### D. GENERAL BODY MEETINGS

Details of Annual General Meetings held during the last three years:

Year	Date	Time	Venue	Whether Special Resolution passed
2014	21.07.2014	11 a.m.	Air Force Auditorium, New Delhi	Yes
2013	29.07.2013	11 a.m.	Air Force Auditorium, New Delhi	Yes
2012	26.07.2012	11 a.m.	Air Force Auditorium, New Delhi	No




**E. POSTAL BALLOTS DURING THE YEAR:**

The Company successfully completed the process of obtaining approval of the members on the following resolutions through Postal Ballot during the year; 2014-2015:

**POSTAL BALLOT THE RESULT OF WHICH WAS ANNOUNCED ON 14TH JULY, 2014:**

1. Special Resolution under Section 180(1)(a) of the Companies Act, 2013.
2. Special Resolution under Section 180(1)(c) of the Companies Act, 2013.

**VOTING PATTERN AND PROCEDURE FOR POSTAL BALLOT:**

- I) The Board of Directors of the Company vide its resolution dated 16th April, 2014, has appointed Mr. A. K. Goyal as the Scrutinizer for conducting the Postal Ballot process.
- II) The Company had completed the despatch of Postal Ballot Notice dt. 16.04.2014 together with
- VII) On 14th July, 2014, Mr. N. D. Relan, Chairman announced the following results of the postal ballot as per the Scrutinizer's Report, as follows:

S. No.	Particulars	Special Resolution u/s 180(1)(c)	Special Resolution u/s 180(1)(a)
1	Number of valid postal ballot forms / e-voting details received	310	307
2	Number of invalid postal ballot forms received	2	2
3	Number of shares held (Paid-up Capital)	31400000	31400000
4	No. of Voted Polled	23954730	23953225
5	% of Votes Polled on Outstanding shares (4/3*100)	76.29%	76.28%
6	No. of Votes in Favour	23950619	23950063
7	No. of Votes against	4111	3162
8	% of Votes in favour on votes polled (6/4*100)	99.98%	99.99%
9	% of Votes against on votes polled (7/4*100)	0.02%	0.01%

**POSTAL BALLOT THE RESULT OF WHICH WAS ANNOUNCED ON 27TH DEC., 2014 :**

1. Ordinary Resolution for Appointment of Mr T. J. Chacko as a director of the company
2. Special resolution for Appointment of Mr. T. J. Chacko as a wholetime director
3. Ordinary Resolution for Appointment of Mr. Arvind Varma as an independent director
4. Ordinary Resolution for Appointment of Mrs. Shyamla Khera as an independent director

the explanatory statement on 10th June, 2014 alongwith the forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/ list of beneficiaries as on 30th May, 2014.

- III) The voting under the postal ballot was kept open from 11th June, 2014 to 10th July, 2014.(either physically or through electronic mode)
- IV) Particulars of Postal Ballot Forms received from the members were entered in a Register separately maintained for the purpose.
- V) The Postal Ballot Forms were kept in a safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms.
- VI) All postal ballot forms received upto the close of the working hours on 10th July, 2014, the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.

5. Special resolution for Authorisation for related party transactions

**VOTING PATTERN AND PROCEDURE FOR POSTAL BALLOT:**

- I) The Board of Directors of the Company vide its resolution dated 21st October, 2014, has appointed Mr. A. K. Goyal as the Scrutinizer for conducting the Postal Ballot process.
- II) The Company had completed the despatch of Postal Ballot Notice dt. 21.10.2014 together with the explanatory statement on 25th November, 2014



alongwith the forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/ list of beneficiaries as on 31st october, 2014.

- III) The voting under the postal ballot was kept open from 26th November, 2014 to 25th December, 2014.(either physically or through electronic mode)
- IV) Particulars of Postal Ballot Forms received from the members were entered in a Register separately

maintained for the purpose.

- V) The Postal Ballot Forms were kept in a safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms.
- VI) All postal ballot forms received upto the close of the working hours on 25th December, 2014, the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.

VII) On 27th December, 2014, Mr. N. D. Relan, Chairman announced the following results of the postal ballot as per the Scrutinizer's Report, as follows:

S. No.	Particulars	1. Ordinary Resolution: Appointment of Mr. Thadikaran Chacko Joseph as a Director of the Company	2. Special Resolution: Appointment of Mr. Thadikaran Chacko Joseph as a Wholetime Director of the Company	3. Ordinary Resolution: Appointment of Mr. Arvind Varma as an Independent Director	4. Ordinary Resolution: Appointment of Mrs Shyamla Khera as an Independent Director	5. Special Resolution: Authorisation for Related Party Transactions
1	Number of valid postal ballot forms / e-voting details received	875	874	874	873	856
2	Number of invalid postal ballot forms received	1	1	1	1	1
3	Number of shares held (Paid-up Capital)	31400000	31400000	31400000	31400000	31400000
4	No. of valid Voted Polled	24074018	24072168	24072143	24072118	729135
5	% of Votes Polled on Outstanding shares (4/3*100)	76.67%	76.66%	76.66%	76.66%	2.32%
6	No. of Votes in Favour	24070827	24068927	24068866	24068841	725827
7	No. of Votes against	3191	3241	3277	3277	3308
8	% of Votes in favour on votes polled (6/4*100)	99.99%	99.99%	99.99%	99.99%	99.55%
9	% of Votes against on votes polled (7/4*100)	0.01%	0.01%	0.01%	0.01%	0.45%

**F. DISCLOSURES**

The particulars of transactions between the company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are disclosed in Note No.43 of Part C of Notes to Financial Statements. However, these transactions are not likely to have any conflict with the Company's interest. All related party transactions are generally with its associates and are entered into based on considerations of various business exigencies. All related party transactions are negotiated on arms length basis and are intended to further the Company's interests. However, during the year, as per requirement of Clause 49 of the Listing Agreement, approval of shareholders was obtained for related party transactions.

No Strictures/Penalties have been imposed on the company by the Stock Exchange or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies, which are consistently applied, have been set out in the Notes to the Accounts.

The Management Discussion and Analysis Report is an ongoing process within the Organization. An exercise on Business Risk was carried out covering the entire gamut of Business operations and the Board was informed of the same.

The Company has framed Whistle Blower Policy. No personnel has been denied access to the audit Committee.

The Company is in the process of imparting training to Independent Directors.

Adoption of Non Mandatory requirements under Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

**G. CODE OF CONDUCT**

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The said Code has been communicated to the Directors and the Members of the Senior Management. A copy of code of conduct has been made available to stock exchange for its wide circulation and is being posted at the website of the Company. All Board members and senior management personnel affirm their compliance

with the Code on annual basis. A declaration to this effect signed by the Managing Director of the Company, forms part of the Annual Report of the Company.

**H. REPORT ON CORPORATE GOVERNANCE**

A report on Corporate Governance forms part of the Annual Report of the Company and is sent to the shareholders accordingly. The Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges within 15 days from the close of the quarter.

**I. CEO/CFO CERTIFICATION**

In compliance with Clause 49(IX) of the Listing Agreement, the Company duly places a Certificate signed by Managing Director and Chief Financial Officer of the Company before the Board of Directors.

**J. COMPLIANCE**

The Company obtains a certificate from our Statutory Auditors regarding compliance of conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement and the said certificate is attached to the Directors Report and forms a part of the Annual Report. The said certificate is sent to the shareholders and Stock Exchanges along with the Annual Report of the Company.

**K. MEANS OF COMMUNICATION**

- The unaudited quarterly results are announced within forty-five days of the end of the quarter and the audited annual results within sixty days from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchange. The aforesaid financial results are taken on record by the Board of Directors and are communicated to the Stock Exchange where the company's securities are listed.
- Once the Stock Exchange has been intimated, these results are given by way of a Press Release to various news agencies/analysts and are also published within 48 hours in English newspaper: Pioneer, Free Press Journal-Mumbai and Hindi newspaper Veer Arjun-Delhi.
- All the data required to be filled electronically, such as quarterly financial results, shareholding pattern are being regularly uploaded on the Company's website pursuant to Clause 52 of the Listing Agreement with the Stock Exchange.



- The Annual Report containing interalia Audited Annual Accounts, Directors' Report, Auditors' Report and other important information forming part of Annual Report is displayed on the Company's website.

## L. GENERAL SHAREHOLDERS INFORMATION

### 1. Appointment/ Re-appointment of Directors

As required, a brief profile and other particulars of the Directors seeking appointment/ re-appointment are given in the Notice of the 28th Annual general meeting and forms part of the Corporate governance Report.

- 2. Dividend Payment:-** Final dividend of Rs. 0.90/- per share has been recommended by the Board on 15th April, 2015 subject to the approval of the Shareholders at the ensuing AGM.

### 3. Annual General Meeting

Number of Annual General Meeting	28th Annual General Meeting
Date & Time	17th July, 2015 at 11:00 a.m.
Venue	Air Force Auditorium, Subroto Park, New Delhi - 110010

### 4. Financial Calendar 2015-2016

Financial Calendar	1st April 2015 to 31st March 2016
Results for Quarter Ended June, 2015	Will be announced before 15th August, 2015
Results for Quarter Ended September, 2015	Will be announced before 15th November, 2015
Results for Quarter Ended December, 2015	Will be announced before 15th February, 2016
Annual Results for the year ended March, 2016	Will be announced before 30th May, 2016
Book Closure Dates	11th July, 2015 to 17th July, 2015
Dividend Payment date	20th July, 2015

### 5. As on 31st March 2015, the Equity Shares of the company are listed on:

BSE Limited.  
25th Floor, P.J. Towers, Dalal Street,  
Mumbai – 400 001

Listing fee for 2014-2015 has been paid to the stock exchange.

### 6. Stock Code

Name of the Stock Exchange	Code
BSE Limited	523229

International Securities Identification Number (ISIN) for NSDL & CDSL: INE415D01024.

### 7. Market Price data:

Monthly High & Low quotations as well as the volume of the equity shares of the company traded for the year 2014-2015 based upon BSE Price data is given below:

MONTH	BSE – HIGH	BSE - LOW	VOLUMES	BSE SENSEX
APRIL, 2014	18.45	15.45	574340	22418
MAY, 2014	20.90	15.10	297613	24217
JUNE, 2014	30.90	17.10	1897726	25414
JULY, 2014	28.15	23.00	600488	25895
AUGUST, 2014	26.40	21.00	272285	26638
SEPTEMBER, 2014	35.00	24.10	1717394	26631
OCTOBER, 2014	31.65	26.75	300727	27866
NOVEMBER, 2014	30.65	27.05	333393	28694
DECEMBER, 2014	30.00	24.65	305510	27499
JANUARY, 2015	42.40	27.00	2028302	29183
FEBRUARY, 2015	37.90	31.10	437979	29362
MARCH, 2015	35.90	27.60	402483	27957

Registrar & Transfer Agents:  
(For Demat Shares and for Physical Shares)  
M/s Alankit Assignments Ltd.  
1E/13, Alankit Heights, Jhandewalan Extension  
New Delhi - 110055,  
Ph: 42541234  
Fax: 4254 1201  
E-Mail: alankit@alankit.com

### 8. Share Transfer System

The Share Transfers (pertains to shares in Physical Mode) are registered and returned within the stipulated time, if documents are clear in all respects.

**9. Distribution of Shareholding as on 31.03.2015:**

S. No.	NO. OF SHARES HELD	NO. OF HOLDERS	PERCENTAGE OF HOLDERS(%)	HOLDING	PERCENTAGE OF HOLDING (%)
1.	UPTO 500	20091	89.69	753831	2.40
2.	501 TO 1000	1216	5.43	1141311	3.64
3.	1001 TO 5000	856	3.82	2105099	6.70
4.	5001 TO 10000	103	0.46	819323	2.61
5.	10001 TO 20000	68	0.30	958278	3.05
6.	20001 TO 30000	24	0.10	578033	1.84
7.	30001 TO 40000	9	0.04	307739	0.98
8.	40001 TO 50000	5	0.02	220324	0.70
9	50001 TO 100000	8	0.04	506207	1.61
10.	100001 TO 500000	17	0.08	4652405	14.82
11.	500001 & ABOVE	4	0.02	19357450	61.65
	<b>TOTAL</b>	<b>22401</b>	<b>100.00</b>	<b>31400000</b>	<b>100.00</b>

**10. Shareholding pattern as on 31.03.2015**

S. No.	Category	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
1.	<b>Promoters &amp; Associate Companies:</b>				
a.	Indian	17	0.08	18718458	59.61
b.	Foreign	1		4650000	14.81
2.	<b>Non-Promoter Shareholding:</b>				
a.	Indian Companies	188	0.84	653352	2.08
b.	Mutual Funds	1		1000	
c.	Financial Institutions	2	0.01	54248	0.17
d.	NRIs	51	0.23	130414	0.42
e.	Trust	1		56097	0.18
f.	Public	22140	98.84	7136431	22.73
	<b>TOTAL</b>	<b>22401</b>	<b>100.00</b>	<b>31400000</b>	<b>100.00</b>

**Shares held by Non Executive Directors**

S. No	Name of Non Executive Director	No. of Shares held as on 31.03.15
1	Mr. N. D. Relan	1108950
2	Mr. Ajay Relan	619808
3	Mr. G. N. Mehra	20000
4	Mr. Kishan N. Parikh	7500


**11. Dematerialisation of Shares and liquidity**

98.31% of the Equity Shares of the Company have been dematerialized as at 31st March'2015. The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services Limited

(CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories.

No GDRs/ ADRs/ Warrants or any convertible instruments have been issued by the Company.

Pursuant to Clause 5A of the Listing Agreement, the Company has maintained a Demat Account named:

"Bharat Seats Limited – Unclaimed Suspense Account" with Alankit Assignments Limited. The details of shares held in Unclaimed Suspense Account are as below:

Type of Securities	Balance As on 1st April, 2014		No. of shareholders who approached for transfer from Suspense Account	No. of shareholders to whom shares were transferred from Suspense Account	Balance As on 31st March, 2015	
	No. of records	No. of shares			No. of records	No. of shares
Equity Shares	82	103020	-	-	82	103020

**12. Plant Location:**

- Bharat Seats Limited  
Joint Venture Plot No.1,  
Maruti Complex, Gurgaon – 122015(Haryana)  
Ph : +91- 9643339870-74  
Fax : 0124 - 2341188  
E-Mail : seats@vsnl.net  
investor\_relations@bharatseats.net  
Website : www.bharatseats.com
- Bharat Seats Limited - Plant II  
Plot No.Mustill No.226, Kila No.7/1,  
Village Bhorakalan, Gurgaon(Haryana)
- Bharat Seats Limited - Plant III  
Plot No. 26, Sector-3A, Maruti Supplier Park,  
IMT, Manesar, Gurgaon (Haryana)

**13. Registered Office :**

Bharat Seats Limited  
D-188, Okhla Indl. Area,  
Phase I, New Delhi – 110020  
Ph : 011 – 26815592, 011-47334100

**14. Investor Relation Cell address for Correspondence**

The Company's Secretarial Department is functioning at the works of the Company at Gurgaon, headed by Ms. Ritu Bakshi, Company Secretary – Compliance officer and as already mentioned, its Registrar for electronic and physical mode are Alankit Assignments Ltd.



## **DECLARATIONS**

### **CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR: 2014-15**

Bharat Seats Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics.

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, I hereby certify that all the Board members and Senior Management personnel have affirmed the compliance with the Code of Ethics and Business Conduct for the year ended 31st March, 2015.

**For Bharat Seats Limited**

**(Rohit Relan)**  
**Managing Director**

### **CEO / CFO Certification**

As required by clause IX of Clause 49 of the Listing Agreement with the Stock Exchange, we have certified to the Board that for the financial year ended March 31, 2015, the Company has complied with the requirements of the said sub clause.

**For Bharat Seats Limited**

**Rohit Relan**  
**Managing Director**

**For Bharat Seats Limited**

**Rajat Bhandari**  
**Sr. Vice President**

**For Bharat Seats Limited**

**Sanjeev Kumar**  
**Chief Financial Officer**

**DATED : 15th April, 2015**





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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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**THE MEMBERS,  
BHARAT SEATS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Bharat Seats Limited ,(the 'Company') for the year ended 31st March, 2015 as stipulated in clause 49 of the listing agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of 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 and the representation made by the Directors and Management of the Company, we certify that the Company has substantially complied with the conditions of the 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 S. S. Kothari Mehta & Co.**

Chartered Accountants

Firm Registration No. 000756N

**(Neeraj Bansal)**

Partner

Membership No. 095960

Place : New Delhi

Date : 15th April, 2015



## Independent Auditors' Report

### To The Members of Bharat Seats Limited

#### Report On the Financial Statements

We have audited the accompanying Financial Statements of Bharat Seats Limited ("the Company") which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 misstatements, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal 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 controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and 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 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 31st March, 2015 and its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

Without qualifying, we draw attention to note no. 44(6) of the financial statement stating that:

Pursuant to schedule II of the Companies Act, 2013 depreciation expense for the Year is lower by Rs. 4.00 lacs and Rs. 9.67 lacs has been deducted from the opening retained earnings.

#### 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 section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order;



2. As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the 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, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- 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 litigation on its financial position in its financial statements- Refer Note 20 to the financial statements;
  - ii) As there is not any material foreseeable losses, on long term contracts, therefore the Company has not made any provision, required under the applicable law or accounting standards;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
(Firm Registration No. 000756 N)

**(Neeraj Bansal)**  
Partner

Membership No. 95960

Place : New Delhi

Date : 15th April, 2015

**ANNEXURE TO THE AUDIT REPORT TO THE BHARAT SEATS LIMITED**

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the financial statement of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) (a) The inventories of the Company have been physically verified by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed to us, the Company has given interest-free unsecured mobilization advance against procurement of materials/tooling over a period of time to a company covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) As explained to us, the aforesaid mobilization/tooling advance is being regularly adjusted against the supplies which are being procured from the above party.
- (c) Since the amount is regularly adjusted, so there is no overdue amount outstanding at the end of the year.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.



## BHARAT SEATS LIMITED

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, custom duty, wealth tax, excise duty, service tax and cess, which have not been deposited on account of any dispute, are as follows: -

S. No	Name of the Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where the dispute is pending
1	Central Excise Act, 1944	Recovery of Modvat Credit availed on Input and Penalty. Case was already decided in favour of the Company by CEGAT, New Delhi	3,195.00	1989-90 and 1991-93	Honorable Delhi High Court
2	Central Excise Act, 1944	Demand of Excise Duty on account of difference in reconciliation (Including Penalty)	228.20	1997-99	Hon'ble CESTAT, New Delhi
3	Central Excise Act, 1944	SCN for excise duty u/s 11A	27.69	2004-06	First Appellate Authority (With Adjudicating authority)
4	Central Excise Act, 1944	Recovery of Cenvat Credit of addl. Excise duty (GSI) taken & utilized for payment of basic excise duty on final products.	5.00	Upto 31.03.2000	Hon'ble CESTAT- New Delhi

- (c) The company has transferred the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within time
- (viii) The Company does not have any accumulated losses as at the close of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to banks. The Company has not taken any loans from financial institutions or debenture holders.
- (x) As per the information and explanations given to us and on the basis of our examination of the records, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) As per the information and explanations given to us and on the basis of our examination of the records, in our opinion, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

For **S.S. KOTHARI MEHTA & CO.**  
Chartered Accountants  
(Firm Registration No. 000756 N)

**(Neeraj Bansal)**  
Partner  
Membership No. 95960

Place : New Delhi  
Date : 15th April, 2015

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**Part A****Note No. 1 SIGNIFICANT ACCOUNTING POLICIES****i) Basis for Preparation of Financial Statements**

The financial statement has been prepared in accordance with the historical cost convention, accounting standards issued vide Companies (Accounting Standard), Rules 2006, as prescribed under section 133 of the Companies Act 2013 read with rule 7 of Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 and earlier years financial statement were prepared as per relevant provisions of the Companies Act, 1956 (refer General circular 08/2014 dated 04/04/2014 of the Ministry of Corporate Affairs for applicability of relevant provisions/ schedules/ rules of the Companies Act, 1956 for the financial statements prepared for the financial year commenced earlier than 01.04.2014) and the provisions of the Companies Act, 2013 (to the extent applicable).

**ii) Use of Estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect reportable amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known / materialised.

**iii) Recognition of Income/Expenditure**

All income & expenditure having a material bearing on the financial statements is accounted for on an accrual basis and provision is made for all known losses and liabilities.

Further, sales include revision in prices received from customers with retrospective effect. Similarly, price revision for material purchased has also been

included in purchases. Further adjustments, if any, are made in the year of final settlement.

Dividend Income is recognized when the right to receive the dividend is established by the balance sheet date.

Interest Income is recognized on time proportion basis.

**iv) Fixed Assets**

Fixed Assets are stated at cost (net of CENVAT, wherever applicable) less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

**v) Impairment of Assets**

The carrying amount of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal / external factors.

If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognized in the profit & loss account to the extent the carrying amount exceeds the recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment, recognized for the assets, no longer exists or has decreased.

**vi) Depreciation :**

- a) Depreciation has been provided as per Schedule II of Companies Act, 2013 on written down value method for assets purchased on or before 31st March 2005 and on Straight line method basis for assets put to use on or after 1st April 2005 after considering five percent residual value.

However electrical fitting and plant & machinery has been depreciated over useful life different from life specified in Schedule II of Companies Act, 2013 based on the technical estimates as detail given below:

**1. Electrical Fittings**

Assets put to use	Method	Estimated Useful Life (years)	Useful Life as per Companies Act, 2013 (years)
upto 31.03.2005	Written Down Value	20	10
01.04.2005 onwards	Straight Line Method	20	10




**2. Plant & Machinery:**

Assets put to use	Method	Useful Life (years)	Useful Life as per Companies Act, 2013 (years)
upto 31.03.2005	Written Down Value	10	15
01.04.2005 onwards	Straight Line Method	20	15
01.04.2010 onwards - Tools & Dies	Straight Line Method	5	15
01.04.2010 onwards - Other plant & Machinery	Straight Line Method	8	15

Fixed assets costing upto Rs. 5000/- per item are fully depreciated in the year of acquisition.

**vii) Foreign Exchange Transactions**

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing at the time of the transaction.

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

The exchange difference arising on the settlement of monetary items or on reporting these items at rates different from the rates at which these were initially recorded / reported in previous financial statements are recognized as income / expense in the period in which they arise. Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in the previous financial statements in so far as

they relate to the acquisition of depreciable capital assets by addition to/deduction from the cost of the assets.

Non-monetary items are carried at cost.

**viii) Investments**

Long term investments are stated at cost and current investments are carried at lower of cost and fair value. Provision for diminution in the value of long term Investments is made only if such a decline is other than temporary.

**ix) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**x) Valuation of Inventories**

Valuation of Inventories is done as under:

Raw Material, Packing Material and Consumable Stores& Spares	At lower of 'Cost' and 'Net Realisable Value'
Work-in-Progress and Finished Goods.	At lower of 'Cost' (raw material cost and appropriate proportion of overheads) and 'Net Realisable Value'.
Tooling – WIP	At lower of 'Cost' and 'Net Realisable Value'.
Scrap	At 'Net Realisable Value'

**Note:** a) Cost is determined on the basis of FIFO method. Cost includes the purchase price as well as the incidental expenses.

b) Valuation of Finished Goods includes Excise Duty thereon.

schemes and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds become due.

b) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. However, the Company through its Trust has taken a policy with LIC to cover the gratuity liability of the employees. The difference

**xi) Employees Retirement Benefits**

a) Retirement benefits in the form of Provident fund/ Pension Schemes are defined contribution



between the actuarial valuation of gratuity for employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

- c) Provision for leave encashment is accrued for and provided for on the basis of an actuarial valuation made at the end of each financial year.
- d) Actuarial gains / losses are immediately taken to the Profit & Loss Account.
- e) Expenses incurred on voluntary retirement of employees are charged off to the Profit & Loss Account in the year of occurrence.

- xii)** Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

Deferred income tax charge reflects the impact of current period timing differences between taxable income and accounting income. The deferred tax charge or credit is recognized using prevailing

enacted or substantively enacted tax rates. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case laws, to reassess realizations/liabilities.

#### **xiii) Research and Development**

In accordance with Accounting Standard (AS) – 26, revenue expenditure on Research & Development is charged to the Profit & Loss Account in the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets and depreciated accordingly.

#### **xiv) Earnings Per Share**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **xv) Contingent Liabilities, Contingent Assets & Provisions**

Contingent liabilities, if material, are disclosed by way of notes and contingent assets are not recognized or disclosed in the financial statements. A provision is recognized, when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation.

- xvi)** Technical know-how fees is accounted for to the extent it has become due during the year.

**BHARAT SEATS LIMITED****BALANCE SHEET AS AT 31ST MARCH 2015**

Particulars	Note No.	AS AT 31ST MARCH, 2015 Rs.	AS AT 31ST MARCH, 2014 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	2	62,800,000	62,800,000
(b) Reserves and surplus	3	400,072,562	353,852,860
		<b>462,872,562</b>	<b>416,652,860</b>
2 Non-current liabilities			
(a) Long-term borrowings	4	380,335,910	526,083,241
(b) Deferred tax liabilities (Net)	5	108,329,279	99,684,190
(c) Other Long term liabilities	6	80,874,777	92,259,080
(d) Long-term provisions	7	7,744,498	5,027,406
		<b>577,284,464</b>	<b>723,053,917</b>
3 Current liabilities			
(a) Short-term borrowings	8	300,150,428	296,059,406
(b) Trade payables	9	917,411,591	782,527,041
(c) Other current liabilities	10	352,542,844	283,977,003
(d) Short-term provisions	11	36,068,913	30,676,068
		<b>1,606,173,776</b>	<b>1,393,239,518</b>
<b>TOTAL</b>		<b>2,646,330,802</b>	<b>2,532,946,295</b>
<b>II. ASSETS</b>			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	1,494,860,890	1,496,512,689
(ii) Intangible assets	12	5,520,561	5,740,627
(ii) Capital work-in-progress	13	30,958,465	39,349,272
(b) Long-term loans and advances	14	165,966,706	172,628,987
		<b>1,697,306,622</b>	<b>1,714,231,575</b>
2 Current assets			
(a) Current investments	15	-	387,605
(b) Inventories	16	115,782,640	110,482,543
(c) Trade receivables	17	767,551,353	659,828,222
(d) Cash and bank balances	18	9,069,633	8,316,348
(e) Short-term loans and advances	19	56,620,554	39,700,002
		<b>949,024,180</b>	<b>818,714,720</b>
<b>TOTAL</b>		<b>2,646,330,802</b>	<b>2,532,946,295</b>

**SIGNIFICANT ACCOUNTING POLICIES**

1

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

**For S. S. KOTHARI MEHTA & CO.**

CHARTERED ACCOUNTANTS

Firm's Registration No. 000756N

N. D. RELAN  
Chairman & DirectorROHIT RELAN  
Managing DirectorNeeraj Bansal  
Partner  
Membership No. 095960RITU BAKSHI  
Company SecretarySANJEEV KUMAR  
Chief Financial OfficerRAJAT BHANDARI  
Sr. Vice President

Place : New Delhi

Dated : 15th April, 2015

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

Particulars	Note No.	YEAR ENDED 31ST MARCH, 2015 Rs.	YEAR ENDED 31ST MARCH, 2014 Rs.
I. Revenue from operations, Gross		7,825,737,662	6,317,589,029
Less: Excise Duty		886,301,675	717,205,903
Revenue from operations, Net	23	6,939,435,987	5,600,383,126
II. Other income	24	11,419,672	2,405,587
<b>III. Total Revenue (I + II)</b>		<b>6,950,855,659</b>	<b>5,602,788,713</b>
IV. Expenses:			
Cost of materials consumed	25	6,028,933,363	4,845,557,401
Purchases of Stock-in-Trade	26	6,598,767	2,324,496
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	27	(3,081,451)	4,018,708
Employee benefits expense	28	147,826,905	114,701,842
Finance costs	29	62,091,715	62,583,956
Depreciation and amortization expense	30	164,224,573	135,213,525
Other expenses	31	430,457,494	348,350,294
<b>Total expenses</b>		<b>6,837,051,366</b>	<b>5,512,750,222</b>
<b>V. Profit before tax (III-IV)</b>		<b>113,804,293</b>	<b>90,038,491</b>
VI. Tax expense:			
Current Tax	32	23,674,318	18,705,497
MAT Credit Entitlement		(179,062)	(15,000,566)
Net Current Tax Expense		23,495,256	3,704,931
Taxes paid for earlier years		-	184,631
Deferred Tax	33	9,109,438	19,072,731
		32,604,694	22,962,293
<b>VII. Profit after tax for the period (V - VI)</b>		<b>81,199,599</b>	<b>67,076,198</b>
VIII. Earnings per equity share of Rs. 2 each:			
(1) Basic	34	2.59	2.14
(2) Diluted	34	2.59	2.14
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		
See accompanying notes to the financial statements			

As per our report of even date attached  
**For S. S. KOTHARI MEHTA & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm's Registration No. 000756N

For and on behalf of the Board of Directors

Neeraj Bansal  
 Partner  
 Membership No. 095960

N. D. RELAN  
 Chairman & Director  
  
 RITU BAKSHI  
 Company Secretary

SANJEEV KUMAR  
 Chief Financial Officer

ROHIT RELAN  
 Managing Director  
  
 RAJAT BHANDARI  
 Sr. Vice President

Place : New Delhi  
 Dated : 15th April, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

	FOR THE YEAR ENDED 31ST MARCH, 2015 Rs.	FOR THE YEAR ENDED 31ST MARCH, 2014 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	113,804,293	90,038,491
<b>Adjustments for :</b>		
Depreciation	164,224,573	135,213,525
Loss(+)/Profit (-) on sale of Fixed assets/Assets w/o	1,373,707	819,027
Loss(+)/Profit (-) on sale of investments	(19,131)	-
Interest expense	62,091,715	62,583,956
Interest received on Fixed Deposits	-	(77,863)
Provision for Diminution in Investments	-	(9,305)
<b>Operating Cash Flow before Working Capital Changes</b>	<b>341,475,157</b>	<b>288,567,831</b>
<b>Adjustments for changes in Working Capital :</b>		
(Increase)/Decrease in Inventories	(5,300,097)	32,743,420
(Increase)/Decrease in trade & other receivables	(107,723,132)	(61,812,771)
(Increase)/Decrease in loans & advances	(12,129,121)	(78,119,708)
Increase/(Decrease) in trade & other payables	158,500,111	197,683,508
Increase/(Decrease) in provisions	3,486,023	(2,220,882)
<b>Cash Generated from Operating Activities</b>	<b>378,308,941</b>	<b>376,841,398</b>
Direct Taxes Paid	(21,624,405)	(20,316,077)
<b>Net Cash from Operating Activities</b>	<b>356,684,536</b>	<b>356,525,321</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(130,652,866)	(171,236,747)
Purchase of Investments	-	-
Sale of Investments	406,736	-
Dividend Received	-	-
Interest received on Fixed Deposits	-	77,863
<b>Net Cash from/(used in) Investing Activities</b>	<b>(130,246,130)</b>	<b>(171,158,884)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long term borrowings & its current maturity	110,000,000	50,000,000
Repayment of Long Term Loan	(248,188,212)	(161,970,554)
Proceeds from Short Term borrowings	4,091,022	19,098,820
Dividend Paid	(25,120,000)	(25,120,000)
Corporate Dividend Tax	(4,269,144)	(4,269,144)
Interest Paid	(62,340,044)	(62,717,939)
<b>Net Cash from Financing Activities</b>	<b>(225,826,378)</b>	<b>(184,978,817)</b>
<b>Net Increase(+)/Decrease (-) in cash and bank balances (A+B+C)</b>	<b>612,028</b>	<b>387,620</b>
<b>Cash and Bank balances as at 1st April 2014</b>	<b>6,879,678</b>	<b>6,492,058</b>
<b>Cash and Bank balances as at 31st March 2015</b>	<b>7,491,706</b>	<b>6,879,678</b>
<b>Reconciliation</b>		
Cash and Bank balances as per Balance Sheet	9,069,633	8,316,348
Less: Unpaid dividend current account with Banks	1,577,927	1,436,670
<b>Net Cash and Bank balances as at 31st March 2015</b>	<b>7,491,706</b>	<b>6,879,678</b>

As per our report of even date attached  
**For S. S. KOTHARI MEHTA & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm's Registration No. 000756N

For and on behalf of the Board of Directors

Neeraj Bansal  
 Partner  
 Membership No. 095960

RITU BAKSHI  
 Company Secretary

N. D. RELAN  
 Chairman & Director

SANJEEV KUMAR  
 Chief Financial Officer

ROHIT RELAN  
 Managing Director

RAJAT BHANDARI  
 Sr. Vice President

Place : New Delhi  
 Dated : 15th April, 2015

**NOTES TO FINANCIAL STATEMENTS****PART-B****2. Share Capital***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs. 2/- each	35,000,000	70,000,000	35,000,000	70,000,000
	<b>35,000,000</b>	<b>70,000,000</b>	<b>35,000,000</b>	<b>70,000,000</b>
<b>Issued, Subscribed &amp; Fully Paid up</b>				
Equity Shares of Rs. 2/- each				
Opening	31,400,000	62,800,000	31,400,000	62,800,000
Additions	-	-	-	-
Deductions	-	-	-	-
Closing	<b>31,400,000</b>	<b>62,800,000</b>	<b>31,400,000</b>	<b>62,800,000</b>
<b>Total</b>	<b>31,400,000</b>	<b>62,800,000</b>	<b>31,400,000</b>	<b>62,800,000</b>

**2.1 The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:****Equity shares**

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. During the year ended 31st March 2015, the amount of per share dividend recognized as distributions to Equity Shareholders is Re 0.90/- (31st March 2014 : Re 0.80). The total dividend appropriation for the year ended 31st March 2015 amounted to Rs. 34,013,058/- (Rs 29,389,144) including corporate dividend tax of Rs. 5,753,058/- (Rs 4,269,144). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**2.2 The following hold more than 5% shares:**

Name of Shareholder	As at 31st March 2015		As at 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Maruti Suzuki India Limited	4,650,000	14.81	4,650,000	14.81
Suzuki Motor Corporation, Japan	4,650,000	14.81	4,650,000	14.81
Sharda Motor Industries Ltd.	9,000,000	28.66	9,000,000	28.66
<b>Total</b>	<b>18,300,000</b>	<b>58.28</b>	<b>18,300,000</b>	<b>58.28</b>

### 3. Reserves and Surplus

(All amounts in Rs., unless otherwise stated)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>Capital Reserves</b>		
Grant from World Bank-Opening Balance	18,416,620	18,416,620
(+) Current Year Transfer	-	-
Closing Balance	<b>18,416,620</b>	<b>18,416,620</b>
<b>General Reserve</b>		
Opening Balance	330,436,240	292,749,186
Less: Depreciation (net of deferred taxes) (refer Point no. 6 of Note no. 44)	966,839	-
Net Balance	<b>329,469,401</b>	<b>292,749,186</b>
(+) Current Year Transfer from Profit & Loss A/c	47,186,541	37,687,054
Closing Balance	<b>376,655,942</b>	<b>330,436,240</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	5,000,000	5,000,000
(+) Net Profit for the current year	81,199,599	67,076,198
Amount available for appropriation	86,199,599	72,076,198
(-) Proposed Dividends	28,260,000	25,120,000
(-) Corporate Dividend Tax	5,753,058	4,269,144
(-) Transfer to General Reserve	47,186,541	37,687,054
Closing Balance	<b>5,000,000</b>	<b>5,000,000</b>
<b>Total</b>	<b>400,072,562</b>	<b>353,852,860</b>

### 4. Long Term Borrowings

(All amounts in Rs., unless otherwise stated)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Secured	Unsecured	Secured	Unsecured
Term loans -from banks	288,297,473	26,038,437	408,072,890	52,010,351
Loans and advances from related parties	-	66,000,000	-	66,000,000
Total	288,297,473	92,038,437	408,072,890	118,010,351
<b>Grand Total</b>		<b>380,335,910</b>		<b>526,083,241</b>




**4.1 The requisite particulars in respect of secured borrowings are as under:**
*(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31 March 2015	As at 31 March 2014	Particulars of security / guarantees / terms of repayment / default
- FCNR(B) Loan from Banks			
Loan - 1			<b>Particulars of Security:</b> Primary Security-Exclusive first charge on specific machineries valued at Rs 151,500,000/-, Collateral security-Extension of first charge on the entire fixed assets of the company.  <b>Terms of Repayment:</b> The period of loan is 5 years, originally sanctioned in USD on 31.05.2010 now converted in INR w.e.f. 23.06.2012 with balance amount due on that date repayable in monthly installments as per details given below: Rs. 1,800,000*42 months Rs. 249,318*1 month Rs. 954,214*1 month  Rate of Interest- 12.5% per annum.
Balance outstanding	-	4,554,214	
Current Maturity	-	4,554,214	
Non - current amount	-	-	
Loan - 2			<b>Particulars of Security:</b> Primary Security-Exclusive first charge on specific machineries/ equipments valued Rs. 39,31,00,000/-, Collateral security-extension of first charge on the entire fixed assets of the Company.  Equitable mortgage on the Company's property has been created for the balance due.  <b>Terms of Repayment:</b> The period of loan is 5 years, sanctioned on 28.03.2011, repayable in 60 monthly installments had been converted into FCNR(B) term loan on 11.10.2012 with following repayment schedule for balance amount on that date: USD 61,238.84 * 48 months USD 61,238.91 * 01 month  Rate of interest 450 bps above six month USD LIBOR
Balance outstanding	74,380,719	125,952,448	
Current Maturity	44,628,417	47,232,166	
Non - current amount	29,752,302	78,720,282	


*(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31 March 2015	As at 31 March 2014	Particulars of security / guarantees / terms of repayment / default
Loan - 3			<b>Particulars of Security:</b> Primary Security- First charge on Building, Machinery, tools and dyes valued at Rs. 61,13,00,000, purchased out of bank finance, Collateral security- extension of first charge on entire fixed assets of the company except machineries which are exclusively charged to Bank of Tokyo, second charge on machineries which are financed by Bank of Tokyo, Second charge on entire current assets of the Company, extension of EM of 4.325 acres of land with factory building at Bhorakalan registered in the name of the Company
Balance outstanding	266,733,902	398,064,759	<b>Terms of repayment:</b> Period of loan is 60 months(20 quarters) with first installment falling due for payment in December,2012 as per detail given below: USD 214,014.49*3 quarters USD 403,415.33*4 quarters USD 473,492.15*12 quarters USD 111,755.68*1 quarters Rate of interest is 450 bps above 6month USD LIBOR Initial Rupee loan had been converted in FCNR(B) Term loan w.e.f. 11.10.2012 for USD 6,536,196.08 & 22.10.2012 for USD 1,513,170.19"
Current Maturity	115,518,999	117,156,291	
Non - current amount	151,214,903	280,908,468	
Loan - 4			<b>Particulars of Security:</b> First pari passu charge on all the fixed assets (excluding those which are exclusively charged to other lenders) both present and future. First pari passu charge on the land with factory located at Bhorakalan.
Balance outstanding			<b>Terms of Repayment</b> Period of loan is 48 months, sanctioned 10.02.2014 Repayable in 12 equal quarterly installments commencing from 18.05.2015 as per detail given below: USD 67,171.80 * 12 quarters USD 55,251.6714*12 quarters USD 98,236.49*11 quarters USD 98,236.41*1 quarter Rate of interest is above 3 months USD LIBOR as follows: i) For USD 8,06,061.58 is 505 bps ii) For USD 18,41,857.86 is 480 bps
Current Maturity	160,995,404	48,444,140	
Non - current amount	53,665,136	-	
	107,330,268	48,444,140	
<b>Total</b>	<b>288,297,473</b>	<b>408,072,890</b>	

The requisite particulars in respect of unsecured borrowings are as under:

(All amounts in Rs., unless otherwise stated)

Particulars	As at 31st March 2015	As at 31st March 2014	Particulars of security / guarantees / terms of repayment / default
Term loans - from banks			
<b>- Loan from Bank of Tokyo (External Commercial Borrowing)</b>			
Loan -1			The period of loan is 6 years, sanctioned on 15.09.2009, Repayable in 24 equal quarterly installments commencing from 15.12.2009 upto 15.09.2015 amounting to JPY 73,20,833 each. Rate of Interest- 400 BPS p.a over 3 months JPY LIBOR.
<b>Balance outstanding</b>	7,629,775	25,841,081	
Current Maturity	7,629,775	17,227,384	
Non - current amount	-	8,613,697	
Loan -2			The period of loan is 6 years (approx.), sanctioned on 19.08.2011, repayable in 24 equal quarterly installments, starting from 15.06.2012 upto 15.03.2018 amounting to JPY 35,77,246 each. Rate of interest-JPY LIBOR+250 BPS
Balance outstanding	22,369,232	33,671,899	
Current Maturity	7,456,412	8,417,975	
Non - current amount	14,912,820	25,253,924	
Loan -3			The period of loan is 6 years, sanctioned on 13.03.2012, Repayable in 24 equal quarterly installments commencing from 15.09.2012 upto 15.06.2018 amounting to JPY 23,72,250 each. Rate of Interest- JPY LIBOR+250 BPS
Balance outstanding	16,070,334	23,725,109	
Current Maturity	4,944,717	5,582,379	
Non - current amount	11,125,617	18,142,730	
<b>Loans &amp; advances from related parties</b>			Repayable as per agreed terms. Rate of interest is @ 11% p.a.
<b>-Loan From Directors</b>			
Balance outstanding	66,000,000	66,000,000	
Current Maturity	-	-	
Non - current amount	66,000,000	66,000,000	
<b>Total</b>	<b>92,038,437</b>	<b>118,010,351</b>	

## 5. Deferred tax liabilities (net)

(All amounts in Rs., unless otherwise stated)

Particulars	As at 31st March 2015	Charge/(Credit) during the year	Adjustment in opening balance (refer point 6 of Note no. 44)	As at 31st March 2014	Charge/(Credit) during the year	As at 31st March 2013
<b>Deferred Tax Assets on account of :</b>						
Expense allowed on payment basis						
-Brought Forward Losses	-	-	-	-	(7,516,108)	7,516,108
-Leave Encashment	2,926,718	935,257	-	1,991,461	(721,237)	2,712,698
-Bonus Payable	189,127	44,545	-	144,582	137	144,445
-Gratuity Payable	196,198	196,198	-	-	-	-
<b>Total Deferred tax Assets</b>	<b>3,312,043</b>	<b>1,176,000</b>	<b>-</b>	<b>2,136,043</b>	<b>(8,237,208)</b>	<b>10,373,251</b>
<b>Deferred Tax Liabilities on account of :</b>						
Difference between Book and tax depreciation	111,641,322	10,285,438	( 464,349 )	101,820,233	10,835,523	90,984,710
Total Deferred tax liabilities	111,641,322	10,285,438	( 464,349 )	101,820,233	10,835,523	90,984,710
<b>Total Deferred Tax (Net)</b>	<b>108,329,279</b>	<b>9,109,438</b>	<b>( 464,349 )</b>	<b>99,684,190</b>	<b>19,072,731</b>	<b>80,611,459</b>

**6. Other Long Term Liabilities***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
Security Deposit	50,000	1,013,280
Tooling Advance received	80,824,777	91,245,800
<b>Total</b>	<b>80,874,777</b>	<b>92,259,080</b>

**7. Long Term Provisions***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
<b>Provision for employee benefits</b> (refer note 41)		
Leave Encashment (unfunded)	7,744,498	5,027,406
<b>Total</b>	<b>7,744,498</b>	<b>5,027,406</b>

**8. Short Term Borrowings***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015		As at 31st March 2014	
	Secured	Unsecured	Secured	Unsecured
Working capital Loan from banks	300,150,428	-	296,059,406	-
<b>Total</b>	<b>300,150,428</b>	<b>-</b>	<b>296,059,406</b>	<b>-</b>
<b>Grand Total</b>	<b>300,150,428</b>		<b>296,059,406</b>	

**The requisite particulars in respect of secured borrowings are as under:***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014	Particulars of security / guarantees / terms of repayment / default
<b>Working Capital Loan from banks</b>			
- Loan from State Bank of Travancore with rate of interest from @ 11.25% to 11.15% p.a.	60,031,806	57,547,061	Hypothecation of the borrowers current assets viz. stocks of Raw materials, semi-finished goods, finished goods, consumable stores & spares, Bills receivables, Book debts and all other movable of the borrower (excluding such movables as are permitted by such bank from time to time), both present & future whether installed or not in favor of consortium with State Bank of Travancore, The Bank of Tokyo -Mitsubishi UFJ, Ltd., and Yes Bank Limited jointly and to each of them severally.  State Bank of Travancore - Rs 28,00,00,000  The Bank of Tokyo Mitsubishi UFJ, Ltd.- Rs 3,80,00,000  YES Bank- Rs.25,00,00,000
- Loan from Yes Bank with rate of interest from @ 12.25% to 11.75% p.a.	240,118,622	238,512,345	
<b>Total</b>	<b>300,150,428</b>	<b>296,059,406</b>	

**9. Trade Payables***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
Dues of MSME parties (Refer Point No. 1 of Note 44)	108,821,090	90,395,257
Dues of other than MSME parties	808,590,501	692,131,784
<b>Total</b>	<b>917,411,591</b>	<b>782,527,041</b>

**10. Other Current Liabilities***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
(a) Current maturities of long-term debt	233,843,456	200,170,409
(b ) Interest accrued but not due	96,731	158,533
(c) Interest accrued and due	-	186,526
(d) Unpaid dividends	1,577,927	1,436,670
(e) Other payables		
- Expense Payable	27,684,452	19,758,036
- Creditors for capital items	24,899,290	18,007,084
- Security Deposit Payable	963,280	-
- Accrued salaries & benefits	25,339,364	20,170,099
- Withholding and other taxes payable	15,488,473	6,874,911
- Technical fee payable	18,504,322	13,065,359
- Others	4,145,549	4,149,376
<b>Total</b>	<b>352,542,844</b>	<b>283,977,003</b>

**11. Short Term Provisions***(All amounts in Rs., unless otherwise stated)*

Short Term Provisions	As at 31st March 2015	As at 31st March 2014
<b>(a) Provision for employee benefits (refer note 41)</b>		
Gratuity (Funded)	604,408	-
Leave Encashment (Unfunded)	1,276,054	1,110,554
<b>(b) Others</b>		
Proposed Dividend	28,260,000	25,120,000
Provision for tax on dividend	5,753,058	4,269,144
<b>Provision for Wealth Tax Payable</b>	175,393	176,370
<b>Total</b>	<b>36,068,913</b>	<b>30,676,068</b>


**12. Tangible and Intangible Assets : 2014-15**
*(All amounts in Rs., unless otherwise stated)*

Particulars	Gross Carrying Value				Depreciation / Impairment				Net Carrying Value		
	Balance as at 1st April 2014	Additions	Disposals	Other Adjustments **	Balance as at 31st March 2015	Balance as at 1st April 2014	Depreciation Adjusted with Opening Balances (refer note 44(f))	Depreciation for the period	Disposals	Balance as at 31st March 2015	Balance as at 31st March 2014
Land Free Hold	21,109,132	-	-	-	21,109,132	-	-	-	-	21,109,132	21,109,132
Land Lease Hold	3,941,438	-	-	-	3,941,438	878,758	-	340,146	-	1,218,904	3,062,680
Buildings (on freehold land)	163,706,188	-	-	6,004,907	169,711,095	12,402,742	-	5,264,612	-	17,667,354	151,303,446
Buildings (on leased land)	454,156,703	887,933	-	11,416,979	466,461,615	40,496,604	-	13,847,047	-	54,343,651	413,660,099
Plant and Equipment	1,279,100,277	119,124,065	23,472,021	15,818,140	1,390,570,461	530,086,678	-	127,309,727	16,434,318	640,962,087	749,013,599
Furniture and Fixtures	13,544,075	627,802	-	-	14,171,877	9,157,985	80,975	574,721	-	9,813,681	4,386,090
Vehicles	31,673,608	4,460,848	3,014,438	-	33,120,018	10,107,865	-	3,591,272	1,118,417	12,580,720	21,565,743
Office equipment	5,119,248	857,749	-	-	5,976,997	2,320,487	458,237	781,903	-	3,560,627	2,798,761
Computers	17,589,403	2,289,624	-	-	19,879,027	11,579,653	510,774	3,105,068	-	15,195,495	6,009,750
Electrical Fittings	89,985,985	6,763,222	-	-	96,749,207	16,104,287	-	4,182,139	-	20,286,426	73,881,698
<b>Total</b>	<b>2,079,926,057</b>	<b>135,011,243</b>	<b>26,486,459</b>	<b>33,240,026</b>	<b>2,221,690,867</b>	<b>633,135,059</b>	<b>1,049,986</b>	<b>158,996,635</b>	<b>17,552,735</b>	<b>775,628,945</b>	<b>1,446,061,922</b>
RESEARCH & DEVELOPMENT											
Building	1,641,948	426,578	-	-	2,068,526	400,330	-	53,831	-	454,161	1,241,618
Plant and Equipment	81,584,347	2,673,633	-	272,624	84,530,604	36,962,631	-	3,206,946	-	40,169,577	44,621,716
Furniture and Fixtures	3,350,882	-	-	-	3,350,882	1,052,348	-	504,233	-	1,556,581	2,298,534
Office equipment	299,750	-	-	-	299,750	86,999	-	52,072	-	139,071	212,751
Computers	8,444,385	-	-	-	8,444,385	7,920,481	381,202	37,091	-	8,338,774	523,904
Electrical Fittings	1,267,003	-	-	-	1,267,003	443,835	-	60,183	-	504,018	823,168
<b>Total</b>	<b>96,588,315</b>	<b>3,100,211</b>	<b>-</b>	<b>272,624</b>	<b>99,961,150</b>	<b>46,866,624</b>	<b>381,202</b>	<b>3,914,356</b>	<b>-</b>	<b>51,162,182</b>	<b>49,721,691</b>
Intangible Assets											
Software Acquired	8,153,124	759,583	-	333,933	9,246,640	2,412,497	-	1,313,582	-	3,726,079	5,740,627
<b>Grand Total</b>	<b>2,184,667,496</b>	<b>138,871,037</b>	<b>26,486,459</b>	<b>33,846,583</b>	<b>2,330,898,657</b>	<b>682,414,180</b>	<b>1,431,188</b>	<b>164,224,573</b>	<b>17,552,735</b>	<b>830,517,206</b>	<b>1,502,253,316</b>

\*\* Foreign Exchange capitalised Rs. 26,113,927/- includes Rs. 26,580,685/- incurred during the year and deduction of Rs. 4,66,758/- recognised in capital work in progress in the earlier years as per Notification issued by the Ministry of Corporate Affairs, Government of India, relating to Accounting Standard (AS-11), dated 29th December, 2011.

\*\* Borrowing Cost capitalised Rs. 7,732,656/- as per Accounting Standard 16 includes Rs. 4,319,858/- incurred during the year and Rs. 3,412,798/- recognised in Capital work in Progress in the earlier years.


**12. Tangible Assets and Intangible assets: 2013-14**
*(All amounts in Rs., unless otherwise stated)*

Particulars	Gross Carrying Value				Depreciation / Impairment		Net Carrying Value	
	Balance as at 1st April 2013	Additions	Disposals	Other Adjustments**	Balance as at 1st April 2013	Depreciation for the period	Balance as at 31st March 2014	Balance as at 31st March 2013
Land Free Hold	21,109,132	-	-	-	-	-	21,109,132	21,109,132
Land Lease Hold	3,941,438	-	-	-	538,612	340,146	3,062,680	3,402,826
Buildings (on leased land)	127,074,937	281,987,464	-	65,094,302	31,663,840	8,832,764	413,660,099	95,411,097
Buildings (on freehold land)	147,291,951	769,692	-	15,644,545	7,138,802	5,263,940	151,303,446	140,153,149
Plant and Equipment	1,161,221,182	89,484,836	-	28,394,259	422,620,644	107,466,034	749,013,599	738,600,538
Furniture and Fixtures	12,371,269	1,172,806	-	-	8,820,111	337,874	4,386,090	3,551,158
Vehicles	29,775,047	5,545,506	3,646,945	-	31,673,608	2,575,976	21,565,743	21,270,224
Office equipment	4,716,791	685,175	282,718	-	2,401,192	201,963	2,798,761	2,315,599
Computers	15,429,067	2,160,336	-	-	9,937,427	1,642,226	6,009,750	5,491,640
Electrical Fittings	61,511,183	28,474,802	-	-	12,746,534	3,357,753	73,881,698	48,764,649
<b>Total</b>	<b>1,584,441,997</b>	<b>390,280,617</b>	<b>3,929,663</b>	<b>109,133,106</b>	<b>504,371,985</b>	<b>130,018,676</b>	<b>1,446,790,998</b>	<b>1,080,070,012</b>
<b>RESEARCH &amp; DEVELOPMENT</b>								
Building	1,641,948	-	-	-	345,489	54,841	1,241,618	1,296,459
Plant and Equipment	62,447,704	18,075,490	-	1,061,153	33,798,467	3,164,164	44,621,716	28,649,237
Furniture and Fixtures	3,350,882	-	-	-	840,237	212,111	2,298,534	2,510,645
Office equipment	299,750	-	-	-	72,344	14,655	212,751	227,406
Electrical Fittings	1,233,994	33,009	-	-	384,030	59,805	823,168	849,964
Computers	8,504,809	-	60,424	-	7,543,718	437,183	523,904	961,091
<b>Total</b>	<b>77,479,087</b>	<b>18,108,499</b>	<b>60,424</b>	<b>1,061,153</b>	<b>42,984,285</b>	<b>3,942,759</b>	<b>49,721,691</b>	<b>34,494,802</b>
<b>Intangible Assets : 2013-14</b>								
Software Acquired	7,308,831	844,293	-	-	1,160,407	1,252,090	5,740,627	6,148,424
<b>Grand Total</b>	<b>1,669,229,915</b>	<b>409,233,409</b>	<b>3,990,087</b>	<b>110,194,259</b>	<b>548,516,677</b>	<b>135,213,525</b>	<b>1,502,253,316</b>	<b>1,120,713,238</b>

\*\* Foreign Exchange capitalised Rs. 76,418,744/- includes 70,423,963/- incurred during the year and Rs. 5,994,781/- recognised in capital work in progress in the earlier years as per Notification issued by the Ministry of Corporate Affairs, Government of India, relating to Accounting Standard (AS-11), dated 29th December, 2011.

\*\* Borrowing Cost capitalised Rs.33,775,515/- as per Accounting Standard 16 includes Rs. 11,627,828/- incurred during the year and Rs. 22,147,687/- recognised in Capital work in Progress in the earlier years.



**13. Capital Work - in - Progress***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
Capital Work in Progress		
Opening Cost	39,349,272	315,727,951
Addition during the year*	30,958,465	39,349,272
Deduction & Adjustment	(39,349,272)	(315,727,951)
<b>Total</b>	<b>30,958,465</b>	<b>39,349,272</b>

\*Current year addition includes Rs.979,464/- (previous year deduction Rs. 466,758/-) on account of foreign exchange fluctuation & addition of Rs. 1,082,321/- (previous year Rs. 3,412,798/-) on account of borrowing cost.

**14. Long Term Loans and Advances (Unsecured, considered good)***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
a) Capital Advances	100,658,418	105,649,848
b) Security Deposits	4,760,238	4,560,238
c) Other Loans & Advances		
-MAT Tax credit entitlement	55,404,286	55,225,224
-Prepaid Income tax	28,639,020	39,991,830
-Less: Provision for taxation	(23,495,256)	(32,798,153)
	5,143,764	7,193,677
	<b>165,966,706</b>	<b>172,628,987</b>

**15. Current Investments***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
Unquoted, Non-Trade:		
Investments in Mutual Funds		
SBI PSU Fund		
50000 units @ Rs.10.00 per unit	-	500,000
Sales /(Provision) for diminution in value of investments	-	(112,395)
<b>Total</b>	<b>-</b>	<b>387,605</b>

\* The valuation is based on the cost less Provision i.e, at Net Asset Value

*(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	-	500,000
Provision for diminution in value of investments	-	(112,395)
	<b>-</b>	<b>387,605</b>

**16. Inventories**
*(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
Raw Materials and components	77,682,095	73,753,632
Raw Material in transit	-	-
Work-in-progress	6,643,855	5,011,098
Finished goods	15,332,204	14,362,918
Stock-in-trade	498,430	21,060
Stores and spares	15,576,056	17,288,835
Scrap	50,000	45,000
<b>Total</b>	<b>115,782,640</b>	<b>110,482,543</b>

**17. Trade Receivables (Unsecured, considered good)**
*(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
Trade receivables outstanding for a period less than six months from the date they are due for payment	766,706,739	659,447,047
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	844,614	381,175
<b>Total</b>	<b>767,551,353</b>	<b>659,828,222</b>

**18. Cash and Bank Balances**
*(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
a. Cash & Cash Equivalents		
Cash in hand	423,975	284,364
Bank Balances with Scheduled banks:		
- Current Account	896,334	827,505
b. Balances with scheduled banks		
- Fixed Deposit Account	6,171,397	5,767,809
- Current Account*	1,577,927	1,436,670
<b>Total</b>	<b>9,069,633</b>	<b>8,316,348</b>

\* Unpaid Dividend balance lying in current account

**19. Short Term Loans and Advances (unsecured, considered good)***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
Balance with Excise & Customs Authorities	25,083,118	25,387,963
Prepaid Expenses	1,790,355	5,324,522
Prepaid Insurance	3,723,443	3,301,788
Advances Recoverable in cash or In Kind or for Value to be received-others	26,023,638	5,685,729
<b>Total</b>	<b>56,620,554</b>	<b>39,700,002</b>

**20. Contingent Liabilities & Commitments***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015	As at 31st March 2014
<b>(i) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt		
- Disputed Excise Matters	345,668,355	345,668,355
- Disputed Service Tax Demands	-	1,147,470
- Disputed Income Tax Demands	-	185,241
(b) Bank guarantee furnished	93,315,100	121,205,000
	<b>438,983,455</b>	<b>468,206,066</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	116,873,490	83,818,325
	<b>116,873,490</b>	<b>83,818,325</b>
	<b>555,856,945</b>	<b>552,024,391</b>

**21. Dividends***(All amounts in Rs., unless otherwise stated)*

Particulars	As at 31st March 2015		As at 31st March 2014	
	Total	Per share	Total	Per share
Dividends proposed to be distributed to equity shareholders	28,260,000	0.90	25,120,000	0.80

**22. Statement Of Realization Of Assets Other Than Fixed Assets And Non - Current Investments**

In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business, at least equal to the amount shown in the Balance Sheet.

In respect of Trade & other receivables, there is no major difference or dispute pending reconciliation/settlement.

In respect of Trade & other payables, management is in the process of reconciliation.

**23. Revenue From Operations***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>Sale of products</b>		
Car Seats Assemblies	6,302,548,939	5,031,335,195
Carpet Sets for Automobiles	249,167,196	218,019,086
Motorcycle Seats	193,704,881	174,968,477
Other Sales	181,591,264	168,898,452
Gypsy Hoods for seats	6,286,324	2,492,976
<b>Total</b>	<b>6,933,298,604</b>	<b>5,595,714,186</b>
<b>Other operating revenues</b>		
Scrap Sale	6,137,383	4,668,940
<b>Total</b>	<b>6,939,435,987</b>	<b>5,600,383,126</b>

**24. Other Income***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Income on Fixed Deposits (gross) (includes TDS Rs. Nil (Previous year Rs. 7,787))	-	77,863
Other non-operating income (net of expenses )	11,400,541	2,327,724
Profit on sale of investment	19,131	-
<b>Total</b>	<b>11,419,672</b>	<b>2,405,587</b>

**25. Cost of material consumed***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Opening Stock	73,753,632	77,764,130
Add: purchases	6,032,861,826	4,841,546,903
	6,106,615,458	4,919,311,033
Less: Closing Stock	77,682,095	73,753,632
Raw material & Component consumed (refer note 39)	<b>6,028,933,363</b>	<b>4,845,557,401</b>

**26. Purchase of stock-in-trade***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Gypsy Hoods for seats	6,598,767	2,324,496
<b>Total</b>	<b>6,598,767</b>	<b>2,324,496</b>

**27. Changes In Inventories of Finished Goods Work-In-Progress And Stock-In-Trade**
*(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>Opening stock:</b>		
Finished goods	14,362,918	17,075,370
Less: Excise duty	1,662,110	1,986,575
	12,700,808	15,088,795
Work-in-progress	5,011,098	6,488,339
Stock in trade	21,060	189,540
Scrap	45,000	30,000
	<b>17,777,966</b>	<b>21,796,674</b>
<b>Closing stock:</b>		
Finished goods	15,332,204	14,362,918
Less: Excise duty	1,665,072	1,662,110
	13,667,132	12,700,808
Work-in-progress	6,643,855	5,011,098
Stock in trade	498,430	21,060
Scrap	50,000	45,000
	<b>20,859,417</b>	<b>17,777,966</b>
<b>Total (Increase) / Decrease in stock</b>	<b>(3,081,451)</b>	<b>4,018,708</b>

**28. Employee Benefit Expense**
*(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
(a) Salaries and incentives	124,525,089	98,550,415
(b) Contributions to - Provident fund & other funds	7,051,583	5,560,092
(c) Gratuity fund contributions - Refer note No. 41	4,072,818	913,480
(d) Staff welfare expenses	12,177,415	9,677,855
<b>Total</b>	<b>147,826,905</b>	<b>114,701,842</b>

**29. Finance Costs**
*(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest expense:		
-Other Interest	60,236,215	60,916,925
-Interest under income Tax of earlier years	221,836	46,158
Other borrowing costs	1,633,664	1,240,251
Applicable net (gain)/loss on foreign currency transactions and translation	-	380,622
<b>Total</b>	<b>62,091,715</b>	<b>62,583,956</b>

**30. Depreciation And Amortization Expense***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Depreciation	164,224,573	135,213,525
<b>Total</b>	<b>164,224,573</b>	<b>135,213,525</b>

**31. Other Expenses***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Power & Fuel	135,080,728	103,312,345
Rent (non cancellable lease)	1,772,002	1,985,702
Repairs to building	6,121,954	699,601
Repairs to plant and machinery	24,050,999	23,314,699
Repairs to Others	949,623	1,966,270
Insurance	3,790,950	3,294,990
Rates and taxes (Including wealth tax)	232,761	256,390
Research and development expenses	12,907,721	8,526,844
Consumption of stores & spare parts	8,771,935	9,717,214
Payment to auditors for statutory audit	540,000	490,000
Payment to auditors for taxation matters	100,000	98,000
Payment to auditors for certification & other matters	417,850	450,750
Payment to auditor for reimbursement of expenses	23,380	69,065
Loss on Sale/Discard of fixed assets	1,373,707	819,027
Applicable net gain on foreign currency transactions and translation	(3,321,099)	-
Provision for Dimunition in value of Investments	-	(9,305)
Donations (refer point no. 7 of note no. 44 )	921,000	810,000
Factory Expenses	114,235,283	90,638,750
Discount on Sales	240,905	751,761
Legal & Professional Expenses	14,513,248	13,052,519
Technical know how Fees & Royalty	18,357,502	16,482,119
Foreign Technician Expenses	645,402	1,149,511
Travelling and Conveyance	32,922,785	27,579,517
Miscellaneous expenses	55,808,858	42,894,525
<b>Total</b>	<b>430,457,494</b>	<b>348,350,294</b>

**32. Current Tax***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Current Tax	23,674,318	18,705,497
MAT Credit Entitlement	(179,062)	(15,000,566)
<b>Total</b>	<b>23,495,256</b>	<b>3,704,931</b>

**33. Deferred Tax***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Deferred Tax	9,109,438	19,072,731
<b>Total</b>	<b>9,109,438</b>	<b>19,072,731</b>

**34. Earnings Per Equity Shares***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Weighted Average number of Equity Shares outstanding	31,400,000	31,400,000
Profit after tax as per Profit & Loss A/c	81,199,599	67,076,198
Basic & Diluted Earning per share	2.59	2.14
Nominal value per share	2.00	2.00

**35. Transfer To / From Reserves***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Transfer to general reserve	47,186,541	37,687,054
<b>Total</b>	<b>47,186,541</b>	<b>37,687,054</b>

**36. Transfer to / from provisions***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Proposed dividend on equity shares	28,260,000	25,120,000
Corporate tax on dividend	5,753,058	4,269,144
<b>Total</b>	<b>34,013,058</b>	<b>29,389,144</b>



**37. Value Of Imports On CIF Basis***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Raw materials	82,745,282	77,660,888
Capital goods	39,280,990	35,196,370
<b>Total</b>	<b>122,026,272</b>	<b>112,857,258</b>

**38. Expenditure In Foreign Currency***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Technical Know-how fees & royalty (net of TDS)	13,956,836	13,926,292
Travelling expenses	14,197,584	10,325,518
Training Fees (net of TDS)	727,145	2,813,820
<b>Total</b>	<b>28,881,565</b>	<b>27,065,630</b>

**39. Analysis of Consumption of Imported & Indigenous Raw Materials, Spare Parts & Components***(All amounts in Rs., unless otherwise stated)*

Particulars	Unit	For the year ended 31st March 2015		For the year ended 31st March 2014	
		Quantity	Value	Quantity	Value
Trims	Nos.	5,763,245	1,305,395,979	5,010,534	902,288,301
PU Raw Materials	Kgs	5,412,913	986,488,683	4,734,567	777,091,012
Reclining Assembly	Nos.	5,273,815	1,627,716,322	4,253,938	1,408,910,971
Others			2,109,332,379		1,757,267,117
<b>Total</b>			<b>6,028,933,363</b>		<b>4,845,557,401</b>

**Analysis of Consumption of Imported & Indigenous Raw Materials***(All amounts in Rs., unless otherwise stated)*

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Imported	101,457,790	105,756,737
% thereof	2	2
Indigenous	5,927,475,573	4,739,800,664
% thereof	98	98
<b>Total</b>	<b>6,028,933,363</b>	<b>4,845,557,401</b>
<b>Total %</b>	<b>100</b>	<b>100</b>

**Production, Sales, stocks:**
*(All amounts in Rs., unless otherwise stated)*

Particulars		For the year ended 31st March 2015		For the year ended 31st March 2014	
		Quantity	Value	Quantity	Value
In respect of manufactured items:					
Car Seats Assemblies	Opening Stock	952	9,095,592	1,043	10,657,559
	Production	547,448	6,302,921,150	473,416	5,029,773,228
	Closing Stock	873	9,467,803	952	9,095,592
	Sale & Others	547,527	6,302,548,939	473,507	5,031,335,195
Carpet Sets for Automobiles	Opening Stock	2,059	1,090,878	2,538	1,173,467
	Production	406,179	249,716,254	373,541	217,936,497
	Closing Stock	2,707	1,639,936	2,059	1,090,878
	Sale & Others	405,531	249,167,196	374,020	218,019,086
Motorcycle Seats	Opening Stock	1,377	758,715	1,489	613,919
	Production	383,845	193,609,124	362,253	175,113,273
	Closing Stock	1,410	662,958	1,377	758,715
	Sale & Others	383,812	193,704,881	362,365	174,968,477
Others Sales & Traded Goods	Opening Stock	-	1,734,563	-	2,643,850
	Production	-	181,753,691	-	167,989,165
	Closing Stock	-	1,896,990	-	1,734,563
	Sale & Others	-	181,591,264	-	168,898,452
In respect of goods traded in:					
Gypsy Hoods for seats	Opening Stock	9	21,060	81	189,540
	Production (Purchase)*	2,829	6,763,694	969	2,324,496
	Closing Stock	213	498,430	9	21,060
	Sale & Others	2,625	6,286,324	1,041	2,492,976

\* Gypsy hood 3 nos. rejected piece repaired.

**40. Details of Dividend Remitted In Foreign Currency**
*(All amounts in Rs., unless otherwise stated)*

Paticulars	Total Number of non-resident shareholders	Total Number of shares held by Non Resident shareholders	Amount of Dividend Remitted	Year to which it pertains
Period ended 31 March 2015				
Suzuki Motor Corporation. Japan	1	4,650,000	3,720,000	2013-14 - Final
Period ended 31 March 2014				
Suzuki Motor Corporation. Japan	1	4,650,000	3,720,000	2012-13 - Final

**PART C :****Note no. 41 - GRATUITY AND EARNED LEAVE BENEFIT PLANS**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with "The Life Insurance Corporation of India" in the form of a qualifying insurance policy. The Company has also provided for Leave Encashment which is unfunded.

The following tables summarize the components of net benefit expense recognized in the profit and loss statement and the funded status and amounts recognized in the balance sheet for the respective plans (as per actuarial valuation as on March 31, 2015).

**Net employee benefit expense (recognized in the Statement of Profit & Loss for the year ended March 31, 2015)**

(Amount in Rs.)

Particulars	Leave Encashment (Unfunded)		Gratuity (Funded)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Current Service Cost	2,203,983	844,609	1,737,229	1,327,579
Interest Cost on benefit obligation	546,278	668,873	1,378,362	1,201,578
(Expected return on plan assets)	-	-	(1,461,650)	(1,492,075)
Past Service Cost	-	-	-	-
Actuarial (gain) / loss recognized in the year	1,219,285	730,201	485,512	(263,849)
<b>Net benefit expense</b>	<b>3,969,546</b>	<b>2,243,683</b>	<b>2,139,453</b>	<b>773,233</b>
Actual return on Plan Assets	-	-	-	-

**Net Asset / (Liability) recognized in the Balance Sheet as on March 31, 2015**

(Amount in Rs.)

Particulars	Leave Encashment		Gratuity	
	As at 31.3.2015	As at 31.3.2014	As at 31.03.2015	As at 31.03.2014
Present Value of Defined Benefit Obligation	9,020,552	6,137,960	18,187,880	15,487,217
Fair Value of Plan Assets	-	-	17,583,472	18,173,922
Net Asset / (Liability) recognized in the Balance Sheet	(9,020,552)	(6,137,960)	(604,408)	2,686,705

**Changes in the present value of Defined Benefit Obligation are as follows:**

(Amount in Rs.)

Particulars	Leave Encashment		Gratuity	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Opening defined benefit obligation	6,137,960	8,360,912	15,487,217	15,019,726
Interest Cost	546,278	668,873	1,378,362	1,201,578
Current Service Cost	2,203,983	844,609	1,737,229	1,327,579
Benefits Paid	(1,086,954)	(4,466,635)	(749,964)	(1,759,040)
Actuarial (gain) / loss on obligation	1,219,285	730,201	335,036	(302,626)
<b>Closing defined benefit obligation</b>	<b>9,020,552</b>	<b>6,137,960</b>	<b>18,187,880</b>	<b>15,487,217</b>

Changes in the Fair value of Plan Assets are as follows:

(Amount in Rs.)

Particulars	Gratuity	
	As at 31.03.2015	As at 31.03.2014
Opening fair value of Plan Assets	18,173,922	16,554,369
Addition(Reduction) due to difference identified in the plan assets at the beginning of the period	(1,933,365)	24,247
<b>Correct fair value of plan assets at the beginning of the period</b>	<b>16,240,557</b>	<b>16,578,616</b>
Expected return on Plan Assets	1,461,650	1,492,075
Contribution by employer	781,705	1,901,048
Benefits paid	(749,964)	(1,759,040)
Actuarial Gain / (Loss) on Plan Assets	(150,476)	(38,777)
<b>Closing fair value of Plan Assets</b>	<b>17,583,472</b>	<b>18,173,922</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity
Insured with LIC	100.00%

The principal assumptions used in determining gratuity and leave liability for the Company's plans are shown below:

Particulars	Leave Encashment		Gratuity	
	2014-15	2013-14	2014-15	2013-14
Discount Rate	7.80%	8.90%	7.80%	8.90%
Rate of increase in Compensation	6.00%	6.00%	6.00%	6.00%
Rate of Return on Plan Assets	-	-	8.75%	9.00%
Average Outstanding Service of Employees upto Retirement (years)	22.04	17.82	22.09	18.09

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

#### Classification of Liability into Current & Non Current Liability

(Amount in Rs.)

Particulars	Leave Encashment		Gratuity	
	2014-15	2013-14	2014-15	2013-14
Current Liability	1,276,054	1,110,554	997,400	Nil
Non-Current Liability	7,744,498	5,027,406	17,190,480	15,487,217

#### Contribution to Defined Contribution Plans:

(Amount in Rs.)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Provident Fund/ other employee's Fund	7,051,583	5,560,092	5,397,514	4,537,403	4,040,085


**Note No. 42: Segment Reporting**

The Company has only one reportable business segment as it manufactures and deals only in different seating systems, carpet etc. in terms of AS 17 "Segment Reporting" notified by Central Government under Companies (Accounting Standards), Rules 2006 and therefore, the disclosure requirements of the Standard are not applicable. Further, the Company operates only in one geographical segment – "India". All the assets of the company are located in India. Further the entire revenue is also derived from customers in India.

**Note No. 43: Related Party Disclosure (In pursuance of AS-18)**
**a) Names of parties**

- i) Where control exists (i.e. holding companies : None  
subsidiaries and fellow subsidiaries)
- ii) Parties in respect of which Bharat Seats Ltd. : Maruti Suzuki India Ltd.  
is an Associate Suzuki Motor Corporation, Japan.  
Sharda Motor Industries Limited
- iii) Key management persons and their relatives : Mr. N. D. Relan - Chairman  
Mr. Rohit Relan - Managing Director  
Mr. Rishabh Relan – Chief Operating Officer  
Mr. Sanjeev Kumar - Chief Financial Officer  
Ms. Ritu Bakshi-Company Secretary  
Mr. T. J. Chacko – Whole Time Director  
(w.e.f. 1st December, 2014)  
Relatives :  
Mrs. Sharda Relan -Wife of Mr. N.D. Relan  
Mrs. Ritu Relan -Wife of Mr. Rohit Relan  
Mr. Pranav Relan-Son of Mr.RohitRelan  
Mr. Ayush Relan -Son of Mr. Rohit Relan  
Mr. Ajay Relan- son of Mr. N.D. Relan  
Mrs. Mala Relan-Wife of Mr. Ajay Relan  
Ms. Aashita Relan-Daughter of Mr. Ajay Relan  
Mr. Aashim Relan–Son of Mr. Ajay Relan
- iv) Other enterprises over which person(s) : N. D. Relan (HUF)  
referred to in (iii) above is able to exercise Rohit Relan (HUF)  
significant influence Ajay Relan (HUF)  
Sharda Enterprises  
Relan Industrial Finance Limited  
Progressive Engineering & Automation Pvt. Ltd.  
Sharda Inoac Pvt. Ltd.  
Pebco Motors Ltd.  
Toyota Boshoku Relan India Pvt. Ltd.  
Toyo Sharda India Private Limited

**b) Transactions with related parties:**

(Amount in Rs.)

Particulars	Parties in respect of which Bharat Seats Limited is an associate	Key Management Persons	Relatives of Key Management Persons	Enterprises over which persons referred to in (iii) above is able to exercise significant influence
Sale of Material to Maruti Suzuki India Ltd. (Gross including Excise & Cess)	7,459,026,558 (5,958,844,652)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Purchases of Material (Including all taxes)	2,760,927,444 (2,163,729,295)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Purchase of Tooling from Sharda Motors Industries Limited (Including all taxes)	105,284,310 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)



Particulars	Parties in respect of which Bharat Seats Limited is an associate	Key Management Persons	Relatives of Key Management Persons	Enterprises over which persons referred to in (iii) above is able to exercise significant influence
Sale of Tooling/ Job Charges to Maruti Suzuki India Limited (Including all taxes)	224,549,661 (6,915,309)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Dividend paid:-				
Maruti Suzuki India Ltd.	3,720,000 (3,720,000)			
Suzuki Motor Corporation, Japan,	3,720,000 (3,720,000)			
Sharda Motor Industries Limited.	7,200,000 (7,200,000)			
Others		1,682,000 (1,682,000)	2,326,006 (2,284,400)	26,400 (34,400)
Remuneration	Nil (Nil)	15,143,315 (13,447,105)	Nil (Nil)	Nil (Nil)
Sitting Fees	280,000 (160,000)	600,000 (240,000)	80,000 (60,000)	(Nil) (Nil)
Rent Paid	1,772,002 (1,772,002)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Other Expenses	90,741,835 (60,447,722)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Discount on sales to Maruti Suzuki India Ltd.	240,905 (751,761)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Loan from Directors	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Interest Paid	Nil (Nil)	5,115,003 (5,580,000)	2,144,998 (2,340,000)	Nil (Nil)
Mobilisation/Tooling Advance received during the year	80,824,777 (91,245,800)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Mobilisation/Tooling Advance Paid during the year	85,300,000 (78,300,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Unsecured Loan as on 31.03.2015	Nil (Nil)	46,500,000 (46,500,000)	19,500,000 (19,500,000)	Nil (Nil)
Net Outstanding receivable as on 31.03.2015	738,452,811 (524,769,271)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Net Outstanding payable as on 31.03.2015	204,317,942 (171,712,862)	Nil (Nil)	Nil (Nil)	Nil (Nil)

**Note No. 44 Additional notes to the accounts**

- Under the Micro, Small and Medium Enterprises Development Act, 2006, the Company is in process of identifying such parties. However, to the extent they already been identified, necessary disclosures have been made as required under the said Act.



## BHARAT SEATS LIMITED

Based on the responses received from the vendors the Company has determined the required disclosures as given below:

(Amount in Rs.)

	Particulars	2014-15	2013-14
A	Principal amount remaining unpaid as on 31st March, 2015	108,821,090	90,395,257
B	Interest due thereon as on 31st March, 2015	Nil	Nil
C	Interest paid by the Company in term of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year.	Nil	Nil
D	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
E	Interest accrued and remaining unpaid as on 31st March, 2015	Nil	Nil
F	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

### 2. Research & Development expenses referred in note no. 3 includes:

(Amount in Rs.)

Particulars	2014-15	2013-14
Salary/Wages	9,408,690	7,050,288
Development & other expenses	3,499,031	1,476,556
Total	12,907,721	8,526,844

### 3. (i) Particulars of Un-hedged Foreign Currency Exposure as at Balance Sheet Date :

Foreign Currency ECB	Rs. 46,069,341 (JPY 88,407,872) [P.Y. Rs. 83,238,089 (Japanese Yen 141,489,188)]
Creditors	Rs. 1,931,436 (Euro 28609.47) [P.Y. – 7,713,811 (Euro 97,377.60)]
	Rs. 3,182,439 (JPY 5,659,359) [P.Y. Rs. 1,1070,785 (JPY 18,118,166)]
Advances recoverable in cash or kind	Rs. 60,606 (USD 984) [P.Y. Rs. NIL]
	Rs. 15,664,268 (Euro 225,698.22) (P.Y. Rs. 4,893,502 (Euro 60112.80))
	Rs. 12,161 (JPY 23,200) (P.Y. Nil)
Technical Fees Payable	Rs. 6,568,716 (JPY 12,395,423) (P.Y. 3,623,657 (JPY 6,113,800))
	Rs. 11,935,606 (USD 190,560) (P.Y. Rs. 9,441,702 (USD 154830))



(ii) Particulars of Hedged Foreign Currency Exposure as at Balance Sheet Date:

Foreign Currency Term Loan	Rs. 502,110,025 (USD 8,245,878.92)
	(P.Y. Rs. 572,461,347 (USD 8,962,779 )

4. Remuneration to Managing/ whole-time Director

(Amount in Rs.)

S. No.	Particulars	2014-15	2013-14
i)	Salaries	8,412,200	6,600,000
ii)	Perquisites & Allowances	509,250	901,740
iii)	Contribution to Provident Fund	1,089,344	898,260
	Total	10,010,794	8,400,000

Note: Since no commission has been paid to any director, the computation of profit under section 198 of the Companies Act, 2013 and under section 349 of the Companies Act, 1956 has not been made.

- Borrowing cost capitalized during the year Rs. 5,402,179/- (Previous Year Rs. 15,040,626) includes Rs. 4,319,858/- towards fixed assets (Previous Year Rs. 11,627,828) & Rs. 1,082,321/- towards capital work in progress (Previous year Rs. 3,412,798/-).
- The estimated useful lives of certain fixed assets have been revised in accordance with Schedule II to the Companies Act 2013, with effect from 1st April, 2014. Pursuant to these changes in useful lives, the depreciation expense for the Year ended 31st March 2015 is lower by Rs. 4,00,649 and for the assets whose revised useful lives have expired on or before 31st March, 2014, the net book value of Rs. 9,66,839 (net of deferred tax of Rs. 4,64,349) has been deducted from the retained earnings.
- During the current year pursuant to section 135 of the Companies Act, 2013 corporate social responsibility expenses of Rs. 921,000 has been incurred by the company which have been disclosed in other expenses under note no. 31.
- Current year financial statements are prepared as per Accounting Standard prescribed under section 133 read with rule 7 of Companies (Accounts) Rules, 2014 and relevant provisions of Companies act 2013 and previous year financial statement were prepared as per relevant provisions of the Companies Act, 1956 (refer General circular 08/2014 dated 04/04/2014 of the Ministry of Corporate Affairs for applicability of relevant provisions/ schedules/ rules of the Companies Act, 1956 for the financial statements prepared for the financial year commenced earlier than 01.04.2014) and the provisions of the Companies Act, 2013 (to the extent applicable).
- Note no. 1 to 45 pertaining to Balance Sheet and statement of Profit and Loss Account form an integral part of the accounts.

**Note No. 45: Previous year figures have been regrouped and /or reclassified, wherever necessary.**

As per our report of even date attached

For and on behalf of the Board of Directors

**For S. S. KOTHARI MEHTA & CO.**

CHARTERED ACCOUNTANTS

Firm's Registration No. 000756N

N. D. RELAN  
Chairman & Director

ROHIT RELAN  
Managing Director

Neeraj Bansal

Partner

Membership No. 095960

RITU BAKSHI

Company Secretary

SANJEEV KUMAR

Chief Financial Officer

RAJAT BHANDARI

Sr. Vice President

Place : New Delhi

Dated : 15th April, 2015

**ATTENDANCE SLIP**

(CIN: L34300DL1986PLC023540)  
**Registered Office:** D-188, Okhla Industrial Area, Phase-I, New Delhi -110020  
Email: Investor\_relations@bharatseats.net, Website: www.bharatseats.com  
Phone: 011-26815592, Fax: 0124-2341188

EVSIN: 150615024

I/WE HEREBY RECORD MY PRESENCE AT THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF BHARAT SEATS LTD. BEING HELD AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI-110010 ON FRIDAY, 17<sup>TH</sup> JULY, 2015 AT 11 A.M.

Member's Folio/DP ID-Client-ID

Member's/ Proxy's name in Block Letters

Member's/Proxy's Signature

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**PROXY FORM**

(CIN: L34300DL1986PLC023540)  
**Registered Office:** D-188, Okhla Industrial Area, Phase-I, New Delhi -110020  
Email: Investor\_relations@bharatseats.net, Website: www.bharatseats.com, Phone: 011-26815592, Fax: 0124-2341188

I/ We being the member(s) of ..... Shares of the above named Company hereby appoint:

- (1) Name:.....Address.....  
E-mail id.....Signature.....or failing him;
- (2) Name:.....Address.....  
E-mail id.....Signature.....or failing him;
- (3) Name:.....Address.....  
E-mail id.....Signature.....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 28th Annual general meeting of the Company to be held on Friday, the 17th day of July, 2015 at 11:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi 110010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS
<b>ORDINARY BUSINESS</b>	
1.	To receive, consider and adopt the audited financial Statements, Reports of the Board of Directors and Auditors for the year ended 31st March, 2015
2.	Declaration of Dividend
3.	Re-appointment of Mr. I.V. Rao, Director who retires by rotation
4.	Re-appointment of Mr. Yoichi Kojima, Director who retires by rotation
5.	Appointment of M/s S.S. Kothari Mehta & Co., Chartered Accountants, as Auditors of the Company and fixing their remuneration

Signed this .....day of .....2015

Signature of shareholder ..... Signature of proxy holder(s) .....

Note: 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.

Affix Re  
1.00  
Revenue  
Stamp