



## BHARAT SEATS LIMITED

PLOT NO.1, Maruti Udyog Joint Venture Complex, GURGAON-122015(Haryana)INDIA  
Phones : +91-9643339870-74 Fax : 0124-2341188 E-mail:seats@vsnl.net  
CIN: L34300DL1986PLC023540 WEBSITE: www.bharatseats.com

02.08.2016

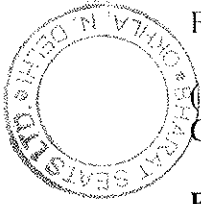
Corporate Relationship Department  
Bombay Stock Exchange Limited  
Floor 25, P.J.Towers  
Dalal Street  
Mumbai – 400 001

REF: CODE : 523229

Sub: Annual Report Submission pursuant to Regulation 34(1) of the SEBI(LODR) Regulations, 2015

Dear Sir

Please find attached 29<sup>th</sup> Annual Report (2015-2016) of our Company , pursuant to Regulation 34(1) of the SEBI(LODR) Regulations, 2015.



FOR BHARAT SEATS LIMITED

*Ritu Bakshi*  
(RITU BAKSHI)  
COMPANY SECRETARY

Encl: As Above



# 29<sup>TH</sup> ANNUAL REPORT 2015-2016



**BHARAT SEATS LIMITED**

**BOARD OF DIRECTORS**

|                             |                                                                  |
|-----------------------------|------------------------------------------------------------------|
| 1. MR. NARINDER DEV RELAN   | CHAIRMAN (DIN: 00240280)                                         |
| 2. MR. YOICHI KOJIMA        | DIRECTOR-NOMINEE-SUZUKI MOTOR CORPORATION, JAPAN (DIN: 02973263) |
| 3. MR. VENKAT RAMAN CHALLA  | DIRECTOR-NOMINEE-MARUTI SUZUKI INDIA LIMITED (DIN: 07093663)     |
| 4. MR. ROHIT RELAN          | MANAGING DIRECTOR (DIN: 00257572)                                |
| 5. MR. AJAY RELAN           | DIRECTOR (DIN: 00257584)                                         |
| 6. MR. GIRISH NARAIN MEHRA  | DIRECTOR (DIN: 00059311)                                         |
| 7. MR. PRATEEP KUMAR LAHIRI | DIRECTOR (DIN: 00039653)                                         |
| 8. MR. RAVINDRA GUPTA       | DIRECTOR (DIN: 01521168)                                         |
| 9. MRS. SHYAMLA KHERA       | DIRECTOR (DIN: 06929439)                                         |
| 10. MR. KISHAN N. PARIKH    | DIRECTOR (DIN: 00453209)                                         |
| 11. MR. ARVIND VARMA        | DIRECTOR (DIN: 02225281)                                         |
| 12. MR. T.J. CHACKO         | 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 110020Email: [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 Ninth Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Wednesday, 20th July, 2016 at 11:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi - 110010 to transact the following businesses:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2016 including the Audited Balance Sheet as at March 31, 2016, Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Narinder Dev. Relan(DIN: 00240280) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ajay Relan (DIN:00257584), 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, having Firm Registration No.000756N, the retiring Auditors of the Company, be and are hereby re-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."

**SPECIAL BUSINESS:**

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

"Resolved that pursuant to Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, including any statutory modification(s) or enactment(s) thereof for the time being in force, and subject to the approval of Central Government, if required, Mr.Rohit Relan, (DIN:00257572) be and is hereby hereby re-appointed as a Managing Director of the Company for a period of five years from 1st October, 2016 to 30th September, 2021 on the following terms and conditions as approved by the Remuneration Committee and the Board of Directors:

**DETAILS OF REMUNERATION INCLUDING PERQUISITES:****SALARY:**

- A. BASIC SALARY : Rs.8,50,000/- per month with a provision of annual increment of Rs.1,00,000/- per month in the scale of Rs.8,50,000 – Rs.1,00,000 – Rs.12,50,000 per month
- B. ALLOWANCES AND PERQUISITES: Rs.1,00,000/- per month with a provision of annual increment of Rs.50,000/- per month in the scale of Rs.1,00,000 – Rs.50,000 – Rs.3,00,000 per month
- C. In addition to the above, Managing Director shall also be entitled to: Company's contribution to Provident Fund as per the rules of the Company.
- D. OTHER TERMS AND CONDITIONS

In the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to the minimum remuneration as mentioned hereinabove without any variation.

Resolved further that the Board of Directors of the Company be and are hereby authorized to alter or vary the above terms and conditions so as not to exceed the limits prescribed in Schedule V of the Companies Act, 2013, in case the Company has adequate profits or within the limits approved by the Central Government, if required, as the case may be.

Resolved further that Mr.N.D.Relan, Chairman, Mr. Ajay Relan, Director and Ms.Ritu Bakshi, Company Secretary be and are hereby severally authorized to apply and take other necessary steps for seeking approval of Central Government , if required.

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

"Resolved that pursuant to provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or enactment(s) thereof for the time being in force, Mr.Venkat Raman Challa (DIN: 07093663), who was appointed as an Additional Director of the Company with effect from 18th July, 2015 by the Board of Directors of the Company in terms of and in accordance with the provisions of Section 161 of the



Companies Act, 2013 and Article 80 of the Articles of Association of the Company and who holds office upto the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing appointment of Mr.Venkat Raman Challa as Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

By Order Of The Board

Date : 15th April, 2016

Ritu Bakshi

Place : New Delhi

Company Secretary

### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy 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. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument 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.

2. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 14th July, 2016 to Wednesday, 20th July, 2016, both days inclusive, for determining the entitlement of the shareholders to the Dividend for 2015-16, if declared.
4. The Dividend on Equity Shares, if declared at the meeting, will be credited/ dispatched between 21st July, 2016 and 18th August, 2016 to those shareholders whose names appear in the Register of Members on 13th July, 2016; in case of shares held in dematerialised form, the dividend thereon, will be paid to Beneficial Owners, as per details furnished by the Depositories, i.e. National Securities Depository Limited and Central Depository Services (India) Limited as on that date.
5. 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 and Transfer Agents, Alankit Assignments Ltd. 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/ Alankit Assignments Ltd.

6. The Company has transferred the unpaid or unclaimed dividends declared upto the financial years 2007-2008, from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
7. Dividend for the financial year ended 31st March, 2009 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, 2009 is due for transfer to IEPF on 13th August, 2016. Pursuant to the provisions of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules, the Company has uploaded the information on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company ([www.bharatseats.com](http://www.bharatseats.com)).
8. To prevent fraudulent transactions, members are requested to notify any change in address or demise of any member, as soon as possible.
9. 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/ Alankit Assignments Ltd.
10. Details in respect of the Directors seeking appointment/ re-appointment at the Annual General meeting, in pursuance to Regulation 36, Chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, forms integral part of the notice.



11. Electronic copy of the Annual Report for 2015-16 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.
12. Electronic copy of the Notice of the Twenty Ninth 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.
13. 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).
14. 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
15. 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.
16. 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.
17. 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.
18. 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 29th 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 remote e-voting period begins on Sunday, 17th July, 2016 at 9:00 a.m. and ends on Tuesday, 19th July, 2016 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 13th July, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter.
  - IV) Shareholder who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - 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. Sequence number is printed on Attendance Slip.</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> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (V).</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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- VI) 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. 13th July, 2016, may follow the same instruction as mentioned above for e-voting.
- VII) 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.
- VIII) 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. 13th July, 2016.
- 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.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Resolution no. 6

Mr. Rohit Relan, Managing Director was re-appointed as Managing Director on 1st October, 2011 for a term of five years. His term in office would expire on 30th September, 2016. He is presently paid remuneration aggregating to Rs.9,25,833/- per month under various heads as approved by Central Government vide their letter no.C23367865/4/2014 – CL.VII dt. 09.01.2015

The Remuneration Committee and the Board of Directors in their meetings held on 15th April, 2016 approved the appointment and remuneration of Mr. Rohit Relan, Managing Director. In view of inadequate profits during the year ended 31st March, 2016, the appointment and remuneration payable to Mr. Rohit Relan, Managing Director is subject to approval of Central Government.

Your directors recommend the special resolution as set out in item no.6 for your approval.



Mr. Rohit Relan, Managing Director of the Company is interested in the resolution to the extent of remuneration payable to him. Further, Mr. N.D.Relan, Chairman and Mr. Ajay Relan, Director are also interested in the resolution, being related to the said director.

**STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II TO THE SCHEDULE V OF THE COMPANIES ACT, 2013 - ABOUT THE APPOINTEE, i.e. MR ROHIT RELAN.**

**I. General Information:**

**1. Nature of Industry**

The Company is engaged in manufacture of Seating System, moulded carpets and extruded components for Car market leader, Maruti Suzuki India Limited as well as seats and frames for Suzuki Motor Cycle India Pvt. Ltd. two wheelers, at their plants at Gurgaon in Haryana.

**2. Date or expected date of commencement of commercial production**

The Company is already in production for more than twenty eight years.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not applicable, as the Company is an existing one.

**4. Financial performance based on given indicators**

The Financial performance of the Company in relation to various indicators during the years 2014-15 and 2015-16 is given hereunder:

(Rs. in lakhs)

|                                 | 2015-16  | 2014-15  |
|---------------------------------|----------|----------|
| Revenue from operations (Gross) | 79313.69 | 78205.34 |
| Net Profit after tax            | 704.32   | 811.99   |
| Dividend                        | 45%      | 45%      |

**5. Foreign investments or collaborators, if any.**

Financial Collaboration with M/s Suzuki Motor Corporation, Japan, who holds 14.81% of the total equity of the Company.

Technical Collaboration with M/s Toyo Seat Co. Ltd., Japan and M/s Inoac Corporation, Japan.

**II. Information about the appointee i.e. Mr. Rohit Relan**

**1. Background details :**

Mr. Rohit Relan, Managing Director, aged 60 years, is a Chartered Accountant and has done Owner/ President Management programme from Harvard Business School. He is promoter

entrepreneur of Bharat Seats Limited.

**2. Past remuneration**

The total remuneration paid to Mr.Rohit Relan from 1st April, 2015 to 31st March, 2016 is Rs.103.85 lakhs.

**3. Recognition or awards**

An able and successful entrepreneur under whose leadership the Company could achieve and maintain impeccable operational standards. He is a fellow member of the Institute of Chartered Accountants of India. He has done Owner/ President Management programme from Harvard Business School.

**4. Job profile and his suitability**

The job profile of the Managing Director of the Company includes overall supervision and control of the Company's activities and in particular, to attend to all matters concerning production, planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors. Mr.Rohit Relan is performing the same since 6.3.1986.

**5. Remuneration proposed**

A. BASIC SALARY : Rs.8,50,000/- per month with a provision of annual increment of Rs.1,00,000/- per month in the scale of Rs.8,50,000 – Rs.1,00,000 – Rs.12,50,000 per month

B. ALLOWANCES AND PERQUISITES: Rs.1,00,000/- per month with a provision of annual increment of Rs.50,000/- per month in the scale of Rs.1,00,000 – Rs.50,000 – Rs.3,00,000 per month

C. In addition to the above, Managing Director shall also be entitled to :

Company's contribution to Provident Fund as per the rules of the Company.

**D. OTHER TERMS AND CONDITIONS**

In the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to the minimum remuneration as mentioned herein without any variation.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Taking into account the turnover of the Company and responsibilities of Mr. Rohit Relan, the remuneration being paid to the Managing



Director is reasonable and in line with the remuneration levels in the industry across the country and befits his position.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

Except for the remuneration as Managing Director and his shareholding, the appointee has no other pecuniary relationship with the Company.

The appointee is related to Mr. N.D.Relan, Chairman of the Company, who is his father and Mr. Ajay Relan, Director, who is his brother.

**III. Other Information**

**1. Reason for loss or inadequate profits**

Upto 31st March, 2015, EBIDTA (Earnings before Interest, Depreciation, Tax & Amortisation) of the Company has improved during the last few years due to increase in sales volumes, R&D efforts and other cost saving measures taken by the Company. The profitability has improved with overall improvement/ growth in automobile industry, for which the Company has created adequate capacity.

During the year: 2015-2016, the profitability of the Company is affected as the sale of Models, for which BSL is supplying seats, were not as per projections given by the customer. Also the profitability is being affected due to inflationary rise in expenses, strengthening of Research and Development and expenses incurred on Business development, benefits of which shall accrue in the next 2 to 3 years. BSL has already started supply against fresh orders received from its customer, which will improve its profitability in near future.

**2. Steps taken or proposed to be taken for improvement.**

The Company has taken the following steps to improve the profitability:

- Cost reduction and productivity improvement.
- Upgradation of Seat testing System of International Standard.

**3. Expected increase in productivity and profits in measurable terms**

With the above measures, the operating efficiencies and profits of the Company are expected to increase.

**IV. Disclosures:**

The following disclosures are/ shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', attached to the financial statement :-

- All elements of remuneration package such as salary, benefits and perquisites etc. of all the directors;
- Details of fixed component and performance linked incentives alongwith the performance criteria;
- Service contracts, notice period, severance fees;
- Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

**Resolution no. 7**

Mr.Venkat Raman Challa (DIN: 07093663) was appointed on the Board , as an Additional Director, as a nominee of Maruti Suzuki India Limited, with effect from 18th July, 2015, in place of Mr.I.V.Rao, to hold office upto the date of this Annual General Meeting, pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 80 of the Articles of Association of the Company.

The Company has received a notice in writing from a member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr Venkat Raman Challa for the office of Director of the Company. Mr. Raman is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director of the Company. A copy of notice is available for inspection by the members at the registered office of the company.

Except Mr. Venkat Raman Challa, none of the Directors or Key Managerial personnel of the Company or their relatives is concerned or interested in the Resolution.

The Board considers it desirable to avail the expertise and guidance of Mr. Venkat Raman, therefore, recommend the Ordinary Resolution set out at item no.7 of the accompanying notice for approval of the shareholders of the Company.



## BHARAT SEATS LIMITED

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE TO CLAUSE 36(3) OF CHAPTER IV- RELATING TO DOCUMENTS & INFORMATION TO SHAREHOLDERS OF THE SEBI(LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

| NAME OF THE DIRECTOR                                                         | MR. N.D.RELAN                                                                                                                                                                                                                                           | MR. AJAY RELAN                                                                                                                                                                                                                   | MR. ROHIT RELAN                                                                                                                                                                                                                   | MR. C.V.RAMAN                                                                                                                                                                                                      |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIRECTOR IDENTIFICATION NUMBER                                               | 00240280                                                                                                                                                                                                                                                | 00257584                                                                                                                                                                                                                         | 00257572                                                                                                                                                                                                                          | 07093663                                                                                                                                                                                                           |
| DATE OF JOINING THE BOARD                                                    | 06.03.1986                                                                                                                                                                                                                                              | 05.04.1988                                                                                                                                                                                                                       | 06.03.1986                                                                                                                                                                                                                        | 18.07.2015                                                                                                                                                                                                         |
| PROFILE OF DIRECTOR                                                          | Mr. Narinder Dev Relan aged 86 years, is an industrialist. . He holds Bachelor's Degree of Commerce He is presently Chairman of the Company, is the Director of the Company since its inception from 6.3.1986                                           | Mr. Ajay Relan , aged 54 years is an industrialist He has done B.Com(Hons) and Owner/ President Management Programme from Harvard Business School                                                                                | Mr. Rohit Relan, aged 60 years, is an industrialist. He has done B.Com(Hons), F.C.A and owner/ President Management programme from Harvard Business School.                                                                       | Mr. C.V.Raman, aged 54 years, is a graduate from Delhi College of Engineering with BE in Mechanical Engineering. He has 34 years of experience and presently heads the Maruti Suzuki Engineering and R&D function. |
| EXPERTISE IN SPECIFIC FUNCTIONAL AREA                                        | Finance, Business Management and Capital Market                                                                                                                                                                                                         | Business Management.                                                                                                                                                                                                             | Business Management, Finance                                                                                                                                                                                                      | Product Development, Vehicle Testing and Homologation Cost Management                                                                                                                                              |
| RELATIONSHIP BETWEEN DIRECTORS INTERSE                                       | Mr. Rohit Relan - son<br>Mr.Ajay Relan - son                                                                                                                                                                                                            | Mr. N.D.Relan - father<br>Mr.Rohit Relan - brother                                                                                                                                                                               | Mr. N.D.Relan - father<br>Mr.Ajay Relan - brother                                                                                                                                                                                 | None -                                                                                                                                                                                                             |
| CHAIRMANSHIPS/ DIRECTORSHIPS HELD IN OTHER COMPANIES AS ON 31.03.2016        | 1. Sharda Motor Industries Ltd.<br>2. Relan Industrial Finance Ltd.<br>3. PEBCO Motors Ltd.<br>4. Toyo Sharda India Pvt.Ltd.<br>5. Toyota Boshoku Relan India Pvt.Ltd.<br>6. Sharda Inoac Pvt. Ltd.<br>7. Progressive Engineering & Automation Pvt.Ltd. | 1. Sharda Motor Industries Ltd..<br>2. Relan Industrial Finance Ltd.<br>3. Toyo Sharda India Pvt.Ltd.<br>4. Toyota Boshoku Relan India Pvt.Ltd.<br>5. Sharda Inoac Pvt. Ltd.<br>6. Progressive Engineering & Automation Pvt.Ltd. | 1. Sharda Motor Industries Ltd..<br>2. Relan Industrial Finance Ltd.<br>3. Toyo Sharda India Pvt. Ltd.<br>4. Toyota Boshoku Relan India Pvt.Ltd.<br>5. Sharda Inoac Pvt. Ltd.<br>6. Progressive Engineering & Automation Pvt.Ltd. | 1. Krishna Maruti Ltd.                                                                                                                                                                                             |
| CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF OTHER COMPANIES AS ON 31.03.2016 | 1. PEBCO Motors Ltd.                                                                                                                                                                                                                                    | None                                                                                                                                                                                                                             | None                                                                                                                                                                                                                              | None                                                                                                                                                                                                               |
| NO. OF SHARES HELD IN THE COMPANY                                            | 11,08,950                                                                                                                                                                                                                                               | 6,19,808                                                                                                                                                                                                                         | 6,55,000                                                                                                                                                                                                                          | None                                                                                                                                                                                                               |

## DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 29th Annual Report together with the Audited Accounts for the year ended 31st March, 2016

### FINANCIAL RESULTS

Rupees in lakhs

| PARTICULARS                                    | 2015-2016 | 2014-2015 |
|------------------------------------------------|-----------|-----------|
| NET REVENUE FROM OPERATIONS                    | 69983.59  | 69342.32  |
| OTHER INCOME                                   | 219.88    | 166.23    |
| PROFIT BEFORE FINANCIAL CHARGES & DEPRECIATION | 3166.40   | 3401.21   |
| LESS: FINANCE COSTS                            | 537.97    | 620.92    |
| PROFIT BEFORE DEPRECIATION & TAXATION          | 2628.43   | 2780.29   |
| LESS:                                          |           |           |
| A) DEPRECIATION                                | 1670.22   | 1642.25   |
| B) PROVISION FOR TAXATION                      |           |           |
| - CURRENT TAX(NET OF MAT CREDIT ENTITLEMENT)   | 231.29    | 234.95    |
| - DEFERRED TAX                                 | 22.60     | 91.10     |
| NET PROFIT AFTER TAX                           | 704.32    | 811.99    |
| ADD: BROUGHT FORWARD FROM PREVIOUS YEAR        | 50.00     | 50.00     |
| PROFIT AVAILABLE FOR APPROPRIATION             | 754.32    | 861.99    |
| <b>APPROPRIATIONS:</b>                         |           |           |
| PROPOSED DIVIDEND                              | 282.60    | 282.60    |
| CORPORATE DIVIDEND TAX                         | 57.53     | 57.53     |
| TRANSFER TO GENERAL RESERVE                    | -         | 471.86    |
| BALANCE CARRIED FORWARD TO BALANCE SHEET       | 414.19    | 50.00     |

### FINANCIAL HIGHLIGHTS AND OPERATIONS

The gross revenue from operations and other income for the financial year under review was Rs. 79533.57.lacs as against Rs 78371.57 lacs for the previous financial year. The profit before finance costs, depreciation and taxation is Rs. 3166.40 lacs for the financial year under review as against Rs 3401.21 lacs for the previous financial year, i.e. decrease by 6.90%. The profit after tax decreased to Rs.704.32 lacs, as compared to Rs. 811.99 lacs for the previous financial year, i.e. decrease by 13.26%. This is mainly due to on account of expenses incurred on strengthening of R&D Department and Business Development.

#### DIVIDEND

Your Directors are pleased to recommend for the approval of the shareholders, a dividend of 45% (Re 0.90/- per equity share) for the financial year ended 31.03.2016.

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion And Analysis as stipulated under Regulation 34 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is presented in a separate section, forming part of the Annual Report.

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

All contracts/ transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

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.



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.

#### **BOARD ANNUAL EVALUATION**

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, performance evaluation was carried out of the Board, its Committees and individual Directors, including the Chairman of the Board.

Nomination & Remuneration Committee reviewed the evaluation criteria for the Board, its Committees, Executive and non-executive Directors and Chairman of the Company, considering qualification, expertise, attributes and various parameters based on which evaluation of the Board has to be carried out by the Company.

A separate meeting of the independent directors was convened which reviewed the performance of the Board (as a whole), Committees of the Board, the non-independent directors and the Chairman.

The evaluation of Independent Directors was carried out by the entire Board.

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.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL DIRECTORS:**

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Mr. Narinder Dev Relan (DIN: 00240280) and Mr. Ajay Relan (DIN: 00257584) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment.

The Board recommends their re-appointment.

Mr. Venkat Raman Challa, Nominee Director – Maruti Suzuki India Limited, was appointed as an Additional Director w.e.f. 18th July, 2015, who shall hold office upto the date of the ensuing Annual general meeting. The Company has received requisite notice in writing from the member proposing the candidature of Mr. Challa for the office of Director. The Board recommend the appointment of Mr. Challa.

During the year, Mr. I.V. Rao, Director resigned w.e.f. close of business hours on 17th July, 2015. The Board placed on record its appreciation for the valuable services rendered by Mr. I.V. Rao during his association with your Company.

The Company has received declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 read with the schedules and rules made thereunder as well as SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

#### **KEY MANAGERIAL PERSONNEL (KMP):**

Mr. Rohit Relan, Managing Director, Mr. T.J. Chacko, Director (Operations), Mr. Sanjeev Kumar, CFO and Ms. Ritu Bakshi, Company Secretary continue to be the KMPs of the Company in terms of Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

#### **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by the Regulators/ applicable laws.

The report on Corporate Governance as stipulated under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 been included in this Annual Report as separate section, alongwith the Auditors' Certificate.

The composition of Audit Committee with other details also form part of Corporate Governance Report.

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

During the year, your Company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.



**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. 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 due to the Stock Exchange.

**CORPORATE SOCIAL RESPONSIBILITY (CSR )**

The CSR Policy, recommended by the Audit Committee and approved by the Board is uploaded on the Company's website at the weblink:

[http://www.bharatseats.com/investors/Corporate Social Responsibility Policy](http://www.bharatseats.com/investors/Corporate%20Social%20Responsibility%20Policy)

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

**EXTRACT OF ANNUAL RETURN**

Pursuant to sub section (3) of Section 92 and Sub section (3)(a) of Section 134 of the Companies Act, 2013 read with Rule 12 of Companies(Management And Administration)Rules, 2014, the extract of Annual return as on 31st March, 2016 is annexed hereto as Annexure IV.

**NUMBER OF MEETINGS OF THE BOARD**

Four meetings of the Board of Directors were held during the financial year. For further details, please refer the Report on Corporate Governance to this Annual 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, 2016 and of the Profit or Loss of the Company for the year ending 31st March, 2016;
- (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.

**PARTICULARS OF EMPLOYEES**

Disclosure as required under Sub Rule 2 of Rule 5 of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as Annexure V.

The ratio of the remuneration of each Director to the median employees' remuneration and others detail in terms of Sub Section 12 of Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as part of the report to Annexure V.

**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. 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. The Company has in place the 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

The Company has implemented Whistle Blower Policy. The Audit Committee and the Board periodically reviews the policy and its implementation.

The Whistle Blower Policy may be accessed at the Company's website at weblink:[http://www.bharatseats.com/investors/policies/Whistle Blower Policy.pdf](http://www.bharatseats.com/investors/policies/Whistle_Blower_Policy.pdf)

**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**

- (a) Statutory Auditors

M/s S.S.Kothari Mehta & Co., Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. They have confirmed that their 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.

- (b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed Ms.Nidhi Chawla, Practising Company Secretary, to conduct Secretarial Audit for the financial year: 2015-16. The Company provided all assistance and

facilities to the Secretarial Auditor for conducting their audit. The report of Secretarial Auditor for the financial year 2015-16 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: 2015-16:

- 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 Pvt.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, 2016

(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 -**

| Sl. No. | Name(s) of the related party | 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 |
|---------|------------------------------|------------------------|-------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------|
|         |                              |                        |                                                 | NONE                                                   |                                                                                            |                                                                                |                                  |                                  |                                                                                                                   |

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

| Sl. No. | Name(s) of the related party    | 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 | 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 |
|---------|---------------------------------|------------------------|-------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 1.      | Maruti Suzuki India Limited     | Associate Company      | Sale, Purchase or Supply of Goods, Materials    | Ongoing transactions                                   | Upto a max.of Rs.1200 crores per annum                                                     | 15.04.2015                       | NIL                              | 27.12.2014                                                                                                        |
| 2.      | Maruti Suzuki India Limited     | Associate Company      | Sale of tooling, job charges                    | Ongoing transactions                                   | Upto a max.of Rs.50 crores per annum                                                       | 15.04.2015                       | NIL                              | 27.12.2014                                                                                                        |
| 3.      | Maruti Suzuki India Limited     | Associate Company      | Payment of Lease Rent                           | Ongoing transactions                                   | Upto a max.of Rs.50 lakhs per annum                                                        | 15.04.2015                       | NIL                              | 27.12.2014                                                                                                        |
| 4.      | Maruti Suzuki India Limited     | Associate Company      | Purchase of Electricity                         | Ongoing transactions                                   | Upto a max.of Rs.30 crores per annum                                                       | 15.04.2015                       | NIL                              | 27.12.2014                                                                                                        |
| 5.      | Sharda Motor Industries Limited | Associate Company      | Purchase of Goods, materials                    | Ongoing transactions                                   | Upto a max.of Rs.500 crores per annum                                                      | 15.04.2015                       | NIL                              | 27.12.2014                                                                                                        |
| 6.      | Sharda Motor Industries Limited | Associate Company      | Purchase of Tooling, job charges                | Ongoing transactions                                   | Upto a max.of Rs.100 crores per annum                                                      | 15.04.2015                       | NIL                              | 27.12.2014                                                                                                        |

**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, 2016.

**(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. PU line-3 mould closing unit converted into mechanical rail closing in place of electric motor. approx electricity saving per year is 20416 kwh/year.
2. We provided 600 nos LED tube light in place of normal tube light in all shop floor, approx saving 69000 kwh/year.
3. Carpet-2 line-2 VFD provided in punching machine. Approx saving is 9600 kwh/ Year.

At Manesar Plant :

1. Auto timer provided in production lines to switch off lights during lunch and tea break. Approx saving 4500 kwh/Year.
2. Excess tube light and street lights switch off to save electricity. Approx saving 10800 kwh/ Year

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

Currently your R&D department is engaged into slew of new products development in above segments slated for launch in coming few years.

The R&D department has successfully launched the seating system and started its supply for premium segment model "S- Cross" and Vitara Brezza" from Maruti Suzuki India Ltd.

This seating system is having features a notch above all ranges of seats developed by company like – Leather seat covers, which demands highest level of craftsmanship and first of its kind leather cutting & stitching technology, Dual lock on rear seat for meeting new crash standards for safety of the occupant, Lock engagement indicator and Bunny-hop mechanism on Vitara Brezza for increased luggage space. With successful launch of these products, personnel has gained immense knowledge in handling higher standard of product.

Besides this, R&D department has launched many minor programs termed as "Refresh" in current platforms like Ritz, Ciaz, etc.

Your R&D was awarded in recent vendor meet of Maruti-Suzuki held at Goa for doing correlation activity of Test lab with that of SMC Japan. This would help our esteemed customer to reduce the testing cost during product design & development phase.

**2) Benefits derived as the result of above R&D**

Your R&D has launched many initiatives for development of its People & products like – Benchmarking activity – For finding better feature in terms of design , Process / War Room – Initiative for review mechanism of new product launch, Proto room – For validation & verification of design concepts, etc.

Such initiatives will continue to be bolstered for people development, deployment of technologies, etc.

**3) R&D FUTURE PLANS**

Seating system in a 4-wheeler is classified as safety item as per CMVR (Central Motor Vehicle Regulations), is Aesthetic system with occupant comforts & iconic style defining product, is the most expensive commodity bought by a OEM. This system employs 4 different manufacturing technologies viz Metal forming & welding / PU foam manufacturing, Fabric cutting & sewing, Plastic injection.

All above unique characteristics makes us most important & focused vendor of our esteemed customer.

In order to become the preferred supplier of customer & keeping in mind 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 launch new products which will improve efficiency as well of quality of product.
- c) Upgradation of facility to facilitate 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.

International players pioneer in this product line like Toyo seats from Japan for seating system design, Inoac from Japan for extrusion product line, etc.

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 a lot of thrust on digitisation of product development process, internal product quality standards, part quality standards, etc – War room launch is one of the initiatives under the same.

For initiative # c above, your company is engaged in adding new facilities Benchmarking room , Proto room are the initiatives covered under that.

Test facility upgradation is another such activity underway for continuous improvement.

All above initiatives demonstrates urge of your company to continue thrust on product innovation.

**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. 132.70 lacs
- b) Recurring Rs. 190.38 lacs
- c) Total Rs. 323.08 lacs
- d) Total R&D expenditure as a percentage of total turnover 0.46%

**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>  | 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                                |
| <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> | 2015-2016      | 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.762.49 lakhs (Rs. 1220.26 lakhs). Other expenditure in foreign currency relating to travelling, training and technical fees amounted to Rs.534.64 lakhs (Rs. 288.82 lakhs). Remittances in foreign currency on account of dividend amounted to Rs.41,85,000/- ( 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                                                                                                                                                          | <ol style="list-style-type: none"> <li>Mr. Ravindra Gupta, Chairman</li> <li>Mr. N.D.Relan</li> <li>Mr. G.N.Mehra</li> <li>Mrs. Shyamla Khera</li> </ol>                                                                                                                                         |



|    |                                                                                                                                                                                                                             |                                                      |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 3. | Average net profit of the company for last three financial years                                                                                                                                                            | Rs.6,72,59,249/-                                     |
| 4. | Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)                                                                                                                                                 | Rs. 13,45,185/-                                      |
| 5. | Details of CSR spent during the financial year.<br>(a) Total amount to be spent for the financial year;<br>(b) Amount unspent, if any;<br>(c) Manner in which the amount spent during the financial year is detailed below: | Rs. 13,45,185/-<br>Rs. 7,95,185/-<br>As per Annexure |

| 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<br>1. Local Area or other<br>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.<br>Sub-heads:<br>1. Direct expenditure on projects or programs<br>2. Overheads: | Cumulative expenditure upto the reporting period | Amount Spent: Direct or through implementing agency |
| 1.   | Health Care & Sanitation            | Health Care & Sanitation               | Delhi                                                                                                                         | Rs.5,50,000                                     | Rs.5,50,000                                                                                                               | Rs.5,50,000                                      | Rs.5,50,000                                         |

6. 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

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2016

[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                                                         | 6TH 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,<br>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, Alankit Heights, 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                             | 3%                                 |
| 3       | Motorcycle seats                                 | 2930                             | 3%                                 |
| 4       | Other sales & traded goods                       | 2930                             | 3%                                 |

**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<br>(As on 01.04.2015) |          |                   |                   | No. of Shares held at the end of the year<br>(As on 31.03.2016) |          |                   |                   | % 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                                         | 5,035,458                                                             | -        | 5,035,458         | 16.03             | 5,035,458                                                       | -        | 5,035,458         | 16.03             | -                        |
| b) Central Govt                                           | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| c) State Govt (s)                                         | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| d) Bodies Corp.                                           | 13,683,000                                                            | -        | 13,683,000        | 43.58             | 13,673,000                                                      | -        | 13,673,000        | 43.55             | (0.03)                   |
| e) Banks / FI                                             | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| f) Any Other                                              | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| <b>Sub-total (A) (1):-</b>                                | <b>18,718,458</b>                                                     | <b>-</b> | <b>18,718,458</b> | <b>59.61</b>      | <b>18,708,458</b>                                               | <b>-</b> | <b>18,708,458</b> | <b>59.58</b>      | <b>(0.03)</b>            |
| <b>(2) Foreign</b>                                        |                                                                       |          |                   |                   |                                                                 |          |                   |                   |                          |
| a) NRIs - Individuals                                     | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| b) Other - Individuals                                    | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| c) Bodies Corp.                                           | 4,650,000                                                             | -        | 4,650,000         | 14.81             | 4,650,000                                                       | -        | 4,650,000         | 14.81             | -                        |
| d) Banks / FI                                             | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| e) Any Other                                              | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| <b>Sub-total (A) (2):-</b>                                | <b>4,650,000</b>                                                      | <b>-</b> | <b>4,650,000</b>  | <b>14.81</b>      | <b>4,650,000</b>                                                | <b>-</b> | <b>4,650,000</b>  | <b>14.81</b>      | <b>-</b>                 |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>23,368,458</b>                                                     | <b>-</b> | <b>23,368,458</b> | <b>74.42</b>      | <b>23,358,458</b>                                               | <b>-</b> | <b>23,358,458</b> | <b>74.39</b>      | <b>(0.03)</b>            |
| <b>B. Public Shareholding</b>                             |                                                                       |          |                   |                   |                                                                 |          |                   |                   |                          |
| <b>1. Institutions</b>                                    |                                                                       |          |                   |                   |                                                                 |          |                   |                   |                          |
| a) Mutual Funds                                           | 1000                                                                  | -        | 1000              | -                 | 1000                                                            | -        | 1000              | -                 | -                        |
| b) Banks / FI                                             | 34,000                                                                | -        | 34,000            | 0.11              | 34,000                                                          | -        | 34,000            | 0.11              | -                        |
| c) Central Govt                                           | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| d) State Govt(s)                                          | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| e) Venture Capital Funds                                  | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| f) Insurance Companies                                    | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| g) FIs                                                    | 20,248                                                                | -        | 20,248            | 0.07              | -                                                               | -        | -                 | -                 | (0.07)                   |
| h) Foreign Venture Capital Funds                          | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| i) Others (specify)                                       | -                                                                     | -        | -                 | -                 | -                                                               | -        | -                 | -                 | -                        |
| <b>Sub-total (B)(1):-</b>                                 | <b>55,248</b>                                                         | <b>-</b> | <b>55,248</b>     | <b>0.18</b>       | <b>35,000</b>                                                   | <b>-</b> | <b>35,000</b>     | <b>0.11</b>       | <b>(0.07)</b>            |



| Category of Shareholders                                                         | No. of Shares held at the beginning of the year<br>(As on 01.04.2015) |          |            |                   | No. of Shares held at the end of the year<br>(As on 31.03.2016) |          |            |                   | % Change during the year |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------|------------|-------------------|-----------------------------------------------------------------|----------|------------|-------------------|--------------------------|
|                                                                                  | Demat                                                                 | Physical | Total      | % of Total Shares | Demat                                                           | Physical | Total      | % of Total Shares |                          |
| 2. Non-Institutions                                                              |                                                                       |          |            |                   |                                                                 |          |            |                   |                          |
| a) Bodies Corp.                                                                  |                                                                       |          |            |                   |                                                                 |          |            |                   |                          |
| i) Indian                                                                        | 645,342                                                               | 8,010    | 653,352    | 2.08              | 630,700                                                         | 8,010    | 638,710    | 2.03              | (0.05)                   |
| ii) Overseas                                                                     | -                                                                     | -        | -          | -                 | -                                                               | -        | -          | -                 | -                        |
| b) Individuals                                                                   | 5,837,975                                                             | 520,760  | 6,358,735  | 20.25             | 5,751,093                                                       | 494,139  | 6,245,232  | 19.89             | (0.36)                   |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | -                                                                     | -        | -          | -                 | -                                                               | -        | -          | -                 | -                        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 908,110                                                               | -        | 908,110    | 2.89              | 1,066,503                                                       | -        | 1,066,503  | 3.40              | 0.51                     |
| c) Others<br>(specify) TRUST                                                     | 56,097                                                                | -        | 56,097     | 0.18              | 56,097                                                          | -        | 56,097     | 0.18              | -                        |
| Sub-total (B)(2):-                                                               | 7,447,524                                                             | 528,770  | 7,976,294  | 25.40             | 7,504,393                                                       | 502,149  | 8,006,542  | 25.50             | 0.10                     |
| Total Public Shareholding<br>(B)=(B)(1)+(B)(2)                                   | 7,502,772                                                             | 528,770  | 8,031,542  | 25.58             | 7,539,393                                                       | 502,149  | 8,041,542  | 25.61             | 0.03                     |
| C. Shares held by Custodian for GDRs & ADRs                                      | -                                                                     | -        | -          | -                 | -                                                               | -        | -          | -                 | -                        |
| Grand Total (A+B+C)                                                              | 30,871,230                                                            | 528,770  | 31,400,000 | 100.00            | 30,897,851                                                      | 502,149  | 31,400,000 | 100.00            | -                        |

**(ii) Shareholding of Promoters**

| Sl No. | Shareholder's Name              | Shareholding at the beginning of the year<br>(As on 01.04.2015) |                                  |                                                  | Share holding at the end of the year<br>(As on 31.03.2016) |                                  |                                                  | % change in share holding during the year |
|--------|---------------------------------|-----------------------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
|        |                                 | No. of Shares                                                   | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                                              | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                           |
| 1      | MARUTI SUZUKI INDIA LIMITED     | 4,650,000                                                       | 14.81                            | -                                                | 4,650,000                                                  | 14.81                            | -                                                | -                                         |
| 2      | SUZUKI MOTOR CORPORATION JAPAN  | 4,650,000                                                       | 14.81                            | -                                                | 4,650,000                                                  | 14.81                            | -                                                | -                                         |
| 3      | SHARDA MOTOR INDUSTRIES LIMITED | 9,000,000                                                       | 28.66                            | -                                                | 9,000,000                                                  | 28.66                            | -                                                | -                                         |



| Sl No. | Shareholder's Name            | Shareholding at the beginning of the year<br>(As on 01.04.2015) |                                  |                                                  | Share holding at the end of the year<br>(As on 31.03.2016) |                                  |                                                  | % change in share holding during the year |
|--------|-------------------------------|-----------------------------------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
|        |                               | No. of Shares                                                   | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                                              | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                           |
| 4      | NARINDER DEV RELAN            | 1,108,950                                                       | 3.53                             | -                                                | 1,108,950                                                  | 3.53                             | -                                                | -                                         |
| 5      | ROHIT RELAN                   | 655,000                                                         | 2.09                             | -                                                | 655,000                                                    | 2.09                             | -                                                | -                                         |
| 6      | AJAY RELAN                    | 619,808                                                         | 1.97                             | -                                                | 619,808                                                    | 1.97                             | -                                                | -                                         |
| 7      | SHARDA RELAN                  | 193,900                                                         | 0.62                             | -                                                | 193,900                                                    | 0.62                             | -                                                | -                                         |
| 8      | RITU RELAN                    | 272,500                                                         | 0.86                             | -                                                | 272,500                                                    | 0.86                             | -                                                | -                                         |
| 9      | MALA RELAN                    | 398,500                                                         | 1.27                             | -                                                | 398,500                                                    | 1.27                             | -                                                | -                                         |
| 10     | RISHABH RELAN                 | 349,000                                                         | 1.11                             | -                                                | 349,000                                                    | 1.11                             | -                                                | -                                         |
| 11     | PRANAV RELAN                  | 410,500                                                         | 1.31                             | --                                               | 410,500                                                    | 1.31                             | --                                               | -                                         |
| 12     | AYUSH RELAN                   | 195,800                                                         | 0.62                             | -                                                | 195,800                                                    | 0.62                             | -                                                | -                                         |
| 13     | AASHITA RELAN                 | 465,500                                                         | 1.48                             | -                                                | 465,500                                                    | 1.48                             | -                                                | -                                         |
| 14     | AASHIM RELAN                  | 366,000                                                         | 1.17                             | -                                                | 366,000                                                    | 1.17                             | -                                                | -                                         |
| 15     | RELAN INDUSTRIAL FINANCE LTD. | 33,000                                                          | 0.11                             | -                                                | 23,000                                                     | 0.08                             | -                                                | (0.03)                                    |
|        | Total                         | 23,368,458                                                      | 74.42                            |                                                  | 23,358,458                                                 | 74.39                            |                                                  |                                           |

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

| Sl. No. |                                                                                                                                                                               | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                                                                                                                                               | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
|         | At the beginning of the year                                                                                                                                                  | 23368458                                  | 74.42                            | 10000                                   | 0.03                             |
|         | 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                                                                                                                                                        |                                           |                                  | 23358458                                | 74.39                            |


**CHANGE IN PROMOTER SHAREHOLDING:**

| SR. NO. | SHAREHOLDER'S NAME            | SHAREHOLDING                                            |                                  | DATE     | INCREASE/ (DECREASE) | REASON   | CUMULATIVE SHAREHOLDING DURING THE YEAR |                                  |
|---------|-------------------------------|---------------------------------------------------------|----------------------------------|----------|----------------------|----------|-----------------------------------------|----------------------------------|
|         |                               | AT THE BEGINNING (1.4.15) AND END OF THE YEAR (31.3.16) | % OF TOTAL SHARES OF THE COMPANY |          |                      |          | NO. OF SHARES                           | % OF TOTAL SHARES OF THE COMPANY |
| 1       | NARINDER DEV RELAN            | 1,108,950                                               | 3.53                             | 1.4.15   |                      |          |                                         |                                  |
|         |                               |                                                         |                                  | 20.11.15 | 500                  | TRANSFER | 1,109,450                               | 3.53                             |
|         |                               |                                                         |                                  | 27.11.15 | 2,000                | TRANSFER | 1,111,450                               | 3.54                             |
|         |                               |                                                         |                                  | 11.12.15 | (2,500)              | TRANSFER | 1,108,950                               | 3.53                             |
|         |                               | 1,108,950                                               | 3.53                             | 31.3.16  |                      |          |                                         |                                  |
| 2       | RELAN INDUSTRIAL FINANCE LTD. | 33,000                                                  | 0.11                             | 1.4.15   |                      |          |                                         |                                  |
|         |                               |                                                         |                                  | 11.12.15 | (10,000)             | TRANSFER | 23,000                                  | 0.07                             |
|         |                               | 23,000                                                  | 0.07                             | 31.3.16  |                      |          |                                         |                                  |

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

| SR. NO. | SHAREHOLDER'S NAME    | SHAREHOLDING                                            |                                  | DATE     | INCREASE/ (DECREASE) | REASON   | CUMULATIVE SHAREHOLDING DURING THE YEAR |                                  |
|---------|-----------------------|---------------------------------------------------------|----------------------------------|----------|----------------------|----------|-----------------------------------------|----------------------------------|
|         |                       | AT THE BEGINNING (1.4.15) AND END OF THE YEAR (31.3.16) | % OF TOTAL SHARES OF THE COMPANY |          |                      |          | NO. OF SHARES                           | % OF TOTAL SHARES OF THE COMPANY |
| 1.      | NILAM KUMARI KAPUR    | 192,328                                                 | 0.61                             | 1.4.15   | -                    | -        |                                         |                                  |
|         |                       | 192,328                                                 | 0.61                             | 31.3.16  |                      |          | 192,328                                 | 0.61                             |
| 2       | SUNITA SANTOSH GOENKA | 160,400                                                 | 0.51                             | 1.4.15   |                      |          |                                         |                                  |
|         |                       |                                                         |                                  | 10.4.15  | 7,522                | TRANSFER | 167,922                                 | 0.53                             |
|         |                       |                                                         |                                  | 5.6.15   | 3,591                | TRANSFER | 171,513                                 | 0.55                             |
|         |                       |                                                         |                                  | 12.6.15  | 325                  | TRANSFER | 171,838                                 | 0.55                             |
|         |                       |                                                         |                                  | 26.6.15  | 15,249               | TRANSFER | 187,087                                 | 0.60                             |
|         |                       |                                                         |                                  | 17.7.15  | 1,902                | TRANSFER | 188,989                                 | 0.60                             |
|         |                       |                                                         |                                  | 28.8.15  | (1,455)              | TRANSFER | 187,534                                 | 0.60                             |
|         |                       |                                                         |                                  | 25.9.15  | 646                  | TRANSFER | 188,180                                 | 0.60                             |
|         |                       |                                                         |                                  | 9.10.15  | 157                  | TRANSFER | 188,337                                 | 0.60                             |
|         |                       |                                                         |                                  | 16.10.15 | 6,851                | TRANSFER | 195,188                                 | 0.62                             |
|         |                       |                                                         |                                  | 30.10.15 | 6,031                | TRANSFER | 201,219                                 | 0.64                             |



| SR. NO. | SHAREHOLDER'S NAME     | SHAREHOLDING                                            |                                  | DATE     | INCREASE/ (DECREASE) | REASON   | CUMULATIVE SHAREHOLDING DURING THE YEAR |                                  |
|---------|------------------------|---------------------------------------------------------|----------------------------------|----------|----------------------|----------|-----------------------------------------|----------------------------------|
|         |                        | AT THE BEGINNING (1.4.15) AND END OF THE YEAR (31.3.16) | % OF TOTAL SHARES OF THE COMPANY |          |                      |          | NO. OF SHARES                           | % OF TOTAL SHARES OF THE COMPANY |
|         |                        |                                                         |                                  | 6.11.15  | 3,628                | TRANSFER | 204,847                                 | 0.65                             |
|         |                        |                                                         |                                  | 4.12.15  | (21,274)             | TRANSFER | 183,573                                 | 0.58                             |
|         |                        |                                                         |                                  | 29.1.16  | (1,766)              | TRANSFER | 181,807                                 | 0.58                             |
|         |                        |                                                         |                                  | 11.3.16  | (6,626)              | TRANSFER | 175,181                                 | 0.56                             |
|         |                        |                                                         |                                  | 18.3.16  | (2,376)              | TRANSFER | 172,805                                 | 0.55                             |
|         |                        |                                                         |                                  | 25.3.16  | (1,520)              | TRANSFER | 171,285                                 | 0.55                             |
|         |                        |                                                         |                                  | 31.3.16  |                      |          |                                         |                                  |
|         |                        | 171,285                                                 | 0.55                             |          |                      |          |                                         |                                  |
| 3       | SUPRIYA SANTOSH GOENKA | 142,601                                                 | 0.45                             | 1.4.15   |                      |          |                                         |                                  |
|         |                        |                                                         |                                  | 17.4.15  | 1,601                | TRANSFER | 144,202                                 | 0.46                             |
|         |                        |                                                         |                                  | 24.4.15  | (3,524)              | TRANSFER | 140,678                                 | 0.45                             |
|         |                        |                                                         |                                  | 26.6.15  | 4,313                | TRANSFER | 144,991                                 | 0.46                             |
|         |                        |                                                         |                                  | 10.7.15  | (4,164)              | TRANSFER | 140,827                                 | 0.45                             |
|         |                        |                                                         |                                  | 3.7.15   | 1,176                | TRANSFER | 142,003                                 | 0.45                             |
|         |                        |                                                         |                                  | 25.9.15  | 8,109                | TRANSFER | 150,112                                 | 0.48                             |
|         |                        |                                                         |                                  | 30.10.15 | 1,729                | TRANSFER | 151,841                                 | 0.48                             |
|         |                        |                                                         |                                  | 6.11.15  | 13,858               | TRANSFER | 165,699                                 | 0.53                             |
|         |                        |                                                         |                                  | 4.12.15  | (5,000)              | TRANSFER | 160,699                                 | 0.51                             |
|         |                        |                                                         |                                  | 18.12.15 | (3,529)              | TRANSFER | 157,170                                 | 0.50                             |
|         |                        |                                                         |                                  | 22.1.16  | (10,229)             | TRANSFER | 146,941                                 | 0.47                             |
|         |                        |                                                         |                                  | 31.3.16  |                      |          |                                         |                                  |
|         |                        | 146,941                                                 | 0.47                             |          |                      |          |                                         |                                  |
| 4       | SANTOSH SITARAM GOENKA | 127,548                                                 | 0.41                             | 1.4.15   |                      |          |                                         |                                  |
|         |                        |                                                         |                                  | 3.4.15   | 4,280                | TRANSFER | 131,828                                 | 0.42                             |
|         |                        |                                                         |                                  | 10.4.15  | 5,094                | TRANSFER | 136,922                                 | 0.44                             |
|         |                        |                                                         |                                  | 17.4.15  | 5,416                | TRANSFER | 142,338                                 | 0.45                             |
|         |                        |                                                         |                                  | 10.7.15  | 4,246                | TRANSFER | 146,584                                 | 0.47                             |
|         |                        |                                                         |                                  | 17.7.15  | (13,222)             | TRANSFER | 133,362                                 | 0.42                             |
|         |                        |                                                         |                                  | 24.7.15  | (14,708)             | TRANSFER | 118,654                                 | 0.38                             |
|         |                        |                                                         |                                  | 13.11.15 | 26,707               | TRANSFER | 145,361                                 | 0.46                             |
|         |                        |                                                         |                                  | 20.11.15 | 42,697               | TRANSFER | 188,058                                 | 0.60                             |
|         |                        |                                                         |                                  | 27.11.15 | 49,271               | TRANSFER | 237,329                                 | 0.76                             |
|         |                        |                                                         |                                  | 11.12.15 | (1,799)              | TRANSFER | 235,530                                 | 0.75                             |
|         |                        |                                                         |                                  | 18.12.15 | (18,453)             | TRANSFER | 217,077                                 | 0.69                             |
|         |                        |                                                         |                                  | 8.1.16   | (8,500)              | TRANSFER | 208,577                                 | 0.66                             |
|         |                        |                                                         |                                  | 4.3.16   | (4,116)              | TRANSFER | 204,461                                 | 0.65                             |
|         |                        |                                                         |                                  | 18.3.16  | (50)                 | TRANSFER | 204,411                                 | 0.65                             |
|         |                        | 204,411                                                 | 0.65                             | 31.3.16  |                      |          |                                         |                                  |



| SR. NO. | SHAREHOLDER'S NAME                                           | SHAREHOLDING                                            |                                  | DATE              | INCREASE/ (DECREASE) | REASON   | CUMULATIVE SHAREHOLDING DURING THE YEAR |                                  |
|---------|--------------------------------------------------------------|---------------------------------------------------------|----------------------------------|-------------------|----------------------|----------|-----------------------------------------|----------------------------------|
|         |                                                              | AT THE BEGINNING (1.4.15) AND END OF THE YEAR (31.3.16) | % OF TOTAL SHARES OF THE COMPANY |                   |                      |          | NO. OF SHARES                           | % OF TOTAL SHARES OF THE COMPANY |
| 5.      | M L BHANOT                                                   | 98,578<br>98,578                                        | 0.31<br>0.31                     | 1.4.15<br>31.3.16 | -                    | -        | 98,578                                  | 0.31                             |
| 6.      | NASIRUDIN HYDERALI JAVERI                                    | 67,790                                                  | 0.22                             | 1.4.15            |                      |          |                                         |                                  |
|         |                                                              |                                                         |                                  | 24.4.15           | 150                  | TRANSFER | 67,940                                  | 0.22                             |
|         |                                                              |                                                         |                                  | 1.5.15            | (500)                | TRANSFER | 67,440                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 29.5.15           | 1100                 | TRANSFER | 68,540                                  | 0.22                             |
|         |                                                              |                                                         |                                  | 10.7.15           | 675                  | TRANSFER | 69,215                                  | 0.22                             |
|         |                                                              |                                                         |                                  | 24.7.15           | (700)                | TRANSFER | 68,515                                  | 0.22                             |
|         |                                                              |                                                         |                                  | 28.8.15           | (1,000)              | TRANSFER | 67,515                                  | 0.22                             |
|         |                                                              |                                                         |                                  | 16.10.15          | (235)                | TRANSFER | 67,280                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 23.10.15          | (200)                | TRANSFER | 67,080                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 30.10.15          | (300)                | TRANSFER | 66,780                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 11.12.15          | (200)                | TRANSFER | 66,580                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 31.12.15          | 1280                 | TRANSFER | 67,860                                  | 0.22                             |
|         |                                                              |                                                         |                                  | 8.1.16            | (300)                | TRANSFER | 67,560                                  | 0.22                             |
|         |                                                              |                                                         |                                  | 15.1.16           | (100)                | TRANSFER | 67,460                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 22.1.16           | (700)                | TRANSFER | 66,760                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 12.2.16           | 350                  | TRANSFER | 67,110                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 18.3.16           | (500)                | TRANSFER | 66,610                                  | 0.21                             |
|         |                                                              |                                                         |                                  | 25.3.16           | 350                  | TRANSFER | 66,960                                  | 0.21                             |
|         |                                                              | 66,960                                                  | 0.21                             | 31.3.16           |                      |          |                                         |                                  |
| 7.      | PRABHA BHANOT                                                | 66,000<br>66,000                                        | 0.21<br>0.21                     | 1.4.15<br>31.3.16 | -                    | -        | 66,000                                  | 0.21                             |
| 8.      | CUSTODIAN (SPECIAL COURT) A/C RASILA S MEHTA/ SUDHIR S MEHTA | 56,097<br>56,097                                        | 0.18<br>0.18                     | 1.4.15<br>31.3.16 | -                    | -        | 56,097                                  | 0.18                             |
| 9.      | AUCLITE CHEMICAL PRIVATE LIMITED                             | 55,000<br>55,000                                        | 0.18<br>0.18                     | 1.4.15<br>31.3.16 | -                    | -        | 55,000                                  | 0.18                             |



| SR. NO. | SHAREHOLDER'S NAME           | SHAREHOLDING                                            |                                  | DATE     | INCREASE/ (DECREASE) | REASON   | CUMULATIVE SHAREHOLDING DURING THE YEAR |                                  |
|---------|------------------------------|---------------------------------------------------------|----------------------------------|----------|----------------------|----------|-----------------------------------------|----------------------------------|
|         |                              | AT THE BEGINNING (1.4.15) AND END OF THE YEAR (31.3.16) | % OF TOTAL SHARES OF THE COMPANY |          |                      |          | NO. OF SHARES                           | % OF TOTAL SHARES OF THE COMPANY |
| 10.     | ANGEL FINCAP PRIVATE LIMITED | 58,377                                                  | 0.19                             | 1.4.15   |                      |          |                                         |                                  |
|         |                              |                                                         |                                  | 10.4.15  | (400)                | TRANSFER | 57,977                                  | 0.18                             |
|         |                              |                                                         |                                  | 15.05.15 | 100                  | TRANSFER | 58,077                                  | 0.18                             |
|         |                              |                                                         |                                  | 5.6.15   | (5,100)              | TRANSFER | 52,977                                  | 0.17                             |
|         |                              |                                                         |                                  | 12.6.15  | (450)                | TRANSFER | 52,527                                  | 0.17                             |
|         |                              |                                                         |                                  | 10.7.15  | (950)                | TRANSFER | 51,577                                  | 0.16                             |
|         |                              |                                                         |                                  | 17.7.15  | (950)                | TRANSFER | 50,627                                  | 0.16                             |
|         |                              |                                                         |                                  | 24.7.15  | 631                  | TRANSFER | 51,258                                  | 0.16                             |
|         |                              |                                                         |                                  | 31.7.15  | (200)                | TRANSFER | 51,058                                  | 0.16                             |
|         |                              |                                                         |                                  | 18.9.15  | 200                  | TRANSFER | 51,258                                  | 0.16                             |
|         |                              |                                                         |                                  | 25.9.15  | (200)                | TRANSFER | 51,058                                  | 0.16                             |
|         |                              |                                                         |                                  | 16.10.15 | (1,500)              | TRANSFER | 49,558                                  | 0.16                             |
|         |                              |                                                         |                                  | 20.11.15 | 143                  | TRANSFER | 49,701                                  | 0.16                             |
|         |                              |                                                         |                                  | 4.12.15  | (1,000)              | TRANSFER | 48,701                                  | 0.15                             |
|         |                              |                                                         |                                  | 11.12.15 | (3,280)              | TRANSFER | 45,421                                  | 0.14                             |
|         |                              |                                                         |                                  | 18.12.15 | 1,780                | TRANSFER | 47,201                                  | 0.15                             |
|         |                              |                                                         |                                  | 31.12.15 | (600)                | TRANSFER | 46,601                                  | 0.14                             |
|         |                              |                                                         |                                  | 22.1.16  | (2,000)              | TRANSFER | 44,601                                  | 0.14                             |
|         |                              |                                                         |                                  | 19.2.16  | (100)                | TRANSFER | 44,501                                  | 0.14                             |
|         |                              | 44,501                                                  | 0.16                             | 31.3.16  |                      |          |                                         |                                  |
| 11.     | SUNIL KUMAR GUPTA            | 35,000                                                  | 0.11                             | 1.4.15   |                      |          |                                         |                                  |
|         |                              |                                                         |                                  | 17.4.15  | (5,000)              | TRANSFER | 30,000                                  | 0.09                             |
|         |                              |                                                         |                                  | 24.4.15  | 90,000               | TRANSFER | 120,000                                 | 0.38                             |
|         |                              | 120,000                                                 | 0.38                             | 31.3.16  |                      |          |                                         |                                  |

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

| Sl. No. |                        | Shareholding at the beginning of the year : 1.4.2015 |                                  | Shareholding at the end of the year : 31.3.2016 |                                  |
|---------|------------------------|------------------------------------------------------|----------------------------------|-------------------------------------------------|----------------------------------|
|         |                        | No. of shares                                        | % of total shares of the company | No. of shares                                   | % of total shares of the company |
| 1.      | MR. NARINDER DEV RELAN | 1,108,950                                            | 3.53                             | 1,108,950                                       | 3.53                             |
| 2.      | MR. ROHIT RELAN        | 655,000                                              | 2.09                             | 655,000                                         | 2.09                             |
| 3.      | MR. AJAY RELAN         | 619,808                                              | 1.97                             | 619,808                                         | 1.97                             |
| 4.      | MR. G.N.MEHRA          | 20,000                                               | 0.06                             | 20,000                                          | 0.06                             |
| 5.      | MR. KISHAN N.PARIKH    | 7,500                                                | 0.02                             | 8,000                                           | 0.02                             |

## V. INDEBTEDNESS

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

in Rs.

|                                                     | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|-----------------------------------------------------|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year |                                     |                    |          |                       |
| i) Principal Amount                                 | 802,260,453                         | 112,069,342        | -        | 914,329,795           |
| ii) Interest due but not paid                       | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                   | 38,204                              | 58,527             | -        | 96,731                |
| Total (i+ii+iii)                                    | 802,298,657                         | 112,127,869        | -        | 914,426,526           |
| Change in Indebtedness during the financial year    |                                     |                    |          |                       |
| Addition                                            | -                                   | 50,000,000         | -        | 50,000,000            |
| Reduction                                           | (196,952,388)                       | *(16,582,850)      | -        | (213,535,238)         |
| Net Change                                          | (196,952,388)                       | 33,417,150         | -        | (163,535,238)         |
| Indebtedness at the end of the financial year       |                                     |                    |          |                       |
| i) Principal Amount                                 | 605,299,360                         | 145,511,227        | -        | 750,810,587           |
| ii) Interest due but not paid                       | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                   | 46,909                              | 33,792             | -        | 80,701                |
| Total (i+ii+iii)                                    | 605,346,269                         | 145,545,019        | -        | 750,891,288           |

\* Includes revaluation effect on foreign currency borrowings.

## 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/<br>Whole Time Director |                | Total<br>Amount |
|---------|-------------------------------------------------------------------------------------|---------------------------------------------------|----------------|-----------------|
|         |                                                                                     | Mr. Rohit Relan                                   | Mr. T.J.Chacko |                 |
| 1.      | Gross salary                                                                        |                                                   |                |                 |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 8,700,000                                         | 1,512,000      | 10,212,000      |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 522,678                                           | *2,046,334     | 2,569,012       |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                                                   |                |                 |
| 2.      | Stock Option                                                                        |                                                   |                |                 |
| 3.      | Sweat Equity                                                                        |                                                   |                |                 |
| 4.      | Commission<br>- as % of profit                                                      |                                                   |                |                 |
| 5.      | Others, please specify<br>Contribution to Provident Fund                            | 1,162,320                                         | 202,003        | 1,364,323       |
|         | Total (A)                                                                           | 10,384,998                                        | 3,760,337      | 14,145,335      |
|         | Ceiling as per the Act/ Approval of Central government                              | 10,384,998                                        | **4,626,991    | 15,011,989      |

\* Includes all allowances/ perquisites/ entitlements/ reimbursements.

\*\* An application is already made with Central Government for approval.


**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 |                    |
| 1       | Independent Directors                          |                                   |             |            |               |               |            |                    |
|         | • Fee for attending Board / Committee meetings | 6,40,000                          | 6,00,000    | 4,80,000   | 4,00,000      | 2,80,000      | 40,000     | 24,40,000          |
|         | • Commission                                   | -                                 | -           | -          | -             | -             | -          | -                  |
|         | • Others, please specify                       | -                                 | -           | -          | -             | -             | -          | -                  |
|         | Total (1)                                      | 6,40,000                          | 6,00,000    | 4,80,000   | 4,00,000      | 2,80,000      | 40,000     | 24,40,000          |
|         |                                                | MR N.D. RELAN                     | MR Y KOJIMA | MR I.V.RAO | MR AJAY RELAN | MR C.V. RAMAN |            |                    |
| 2       | Other Non-Executive Directors                  |                                   |             |            |               |               |            |                    |
|         | • Fee for attending board / committee meetings | 5,20,000                          | 1,20,000    | 80,000     | 1,20,000      | 80,000        |            | 9,20,000           |
|         | • Commission                                   | -                                 | -           | -          | -             | -             |            |                    |
|         | • Others, please specify                       | -                                 | -           | -          | -             | -             |            |                    |
|         | Total (2)                                      | 5,20,000                          | 1,20,000    | 80,000     | 1,20,000      | 80,000        |            | 9,20,000           |
|         | Total (B)=(1+2)                                | 11,60,000                         | 7,20,000    | 5,60,000   | 5,20,000      | 3,60,000      | 40,000     | 33,60,000          |
|         | Overall ceiling as per the Act                 | No Remuneration, only sitting fee |             |            |               |               |            |                    |

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

| Sl. no. | Particulars of Remuneration                                                                                                                                                                                                       | Key Managerial Personnel |                 |             |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------|-------------|
|         |                                                                                                                                                                                                                                   | Mr. Sanjeev Kumar        | Ms. Ritu Bakshi | Total (Rs.) |
| 1.      | Gross salary<br>(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) Incometax Act, 1961 | 1,809,567                | 975,945         | 2,785,512   |
| 2.      | Stock Option                                                                                                                                                                                                                      | -                        | -               | -           |
| 3.      | Sweat Equity                                                                                                                                                                                                                      | -                        | -               | -           |
| 4.      | Commission<br>- as % of profit<br>- others, specify                                                                                                                                                                               | -                        | -               | -           |
| 5.      | Others, please specify<br>Provident Fund                                                                                                                                                                                          | 109,296                  | 56,448          | 165,744     |
|         | Total                                                                                                                                                                                                                             | 1,918,863                | 1,032,393       | 2,951,256   |

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

EMPLOYED FOR FULL FINANCIAL YEAR : 2015-2016 :

| 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. 1,03,84,998/-        | B.COM(HONS.) F.C.A., OWNER/ PRESIDENT MANAGEMENT PROGRAMME FROM HARVARD BUSINESS SCHOOL | 6.3.1986                           | 37YRS            | 60 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.

**THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES' REMUNERATION AND OTHERS DETAIL IN TERMS OF SUB SECTION 12 OF SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

| Sr. No. | Particulars                           | Ratio to the median remuneration (times) |
|---------|---------------------------------------|------------------------------------------|
| i)      | Mr. Rohit Relan, Managing Director    | 44.79                                    |
| ii)     | Mr. T.J.Chacko, Director (Operations) | 19.96                                    |

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year

| Sr. No. | Particulars                                | Ratio to the median remuneration (times) |
|---------|--------------------------------------------|------------------------------------------|
| i)      | Mr. Rohit Relan, Managing Director         | 15%                                      |
| ii)     | Mr. T.J.Chacko, Director (Operations)      | -                                        |
| iii)    | Mr. Sanjeev Kumar, Chief Financial Officer | 9%                                       |
| iv)     | Ms. Ritu Bakshi, Company Secretary         | 9%                                       |

3. The percentage increase/ decrease in the median remuneration of employees in the financial year is 24%.
4. Total number of permanent employees on the rolls of company as on March 31st 2016 is 407.
5. The explanation on the relationship between average increase in remuneration and company performance:  
Average increase in remuneration of all employees during financial year 2015-16 was 8.69%. Profit after tax of the company for the year ending March, 2016 decreased by 13.26%.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.

| Particulars                                                  | % Increase/ (Decrease) in 2015-16 over previous year |
|--------------------------------------------------------------|------------------------------------------------------|
| Gross revenue                                                | 1.48 %                                               |
| Earning before Interest, Depreciation & Tax                  | (6.90%)                                              |
| Profit before Tax(PBT)                                       | (15.80%)                                             |
| Profit After Tax                                             | (13.26%)                                             |
| <b>Remuneration of Key Managerial Personnel(RS. IN LACS)</b> |                                                      |
| Managing Director                                            | 103.84                                               |
| Director(Operations)                                         | 46.27                                                |
| Chief Financial Officer                                      | 20.65                                                |
| Company Secretary                                            | 10.95                                                |
| Remuneration as a % of revenue                               | 0.22%                                                |
| Remuneration as a % of PBT                                   | 18.96%                                               |

7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

| Particulars                        | March 31st, 2015 | March 31st, 2016 | Variation(%) |
|------------------------------------|------------------|------------------|--------------|
| No. of Shares                      | 31,400,000       | 31,400,000       | NIL          |
| Closing Rate (Rs.)                 | 29.35            | 36.10            | 23%          |
| Market Capitalisation (Rs. Crores) | 92.16            | 113.35           | 23%          |
| Earning per share                  | 2.59             | 2.24             | (13%)        |
| Price Earning ratio                | 11.33            | 16.11            | 42%          |

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

| Particulars                                   | Non-Managerial | Managerial |
|-----------------------------------------------|----------------|------------|
| % Average increase in salaries during 2015-16 | 10.53%         | 7.70 %     |

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company is as given in point no. 6.
10. The key parameters for any variable component of remuneration availed by the directors.  
No variable remuneration was availed by the director.
11. There is no employee who is in receipt of remuneration excess of the highest paid director during the year.
12. Remuneration is as per the remuneration policy of the company.



## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The global economy is expected to grow modestly in 2016 as per IMF predictions. India takes over as the fastest growing BRIC in fiscal 2015 with 7.5 percent GDP growth, accelerating to 8% in fiscal 2016 driven by structural reforms and higher investment. The 'Make in India' campaign of the government has enthused the entire manufacturing sector.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian auto industry is one of the largest automotive markets in the world. The automotive industry is an engine of growth for the Indian economy, with manufacturing for domestic market as well as for export market.

Over the years, the components industry has adopted well to the changes in the policy and regulatory environment and the needs of its customers. While the last year had significant challenges for the sector, the component industry fared reasonably well.

During the month of February, the reservation agitation had disrupted component supplies, causing a temporary suspension of production by Maruti Suzuki India Ltd. (MSIL). Despite that, the Company was able to achieve marginal growth in domestic sales.

While Maruti has benefitted from the extensive vendor base that Suzuki helped set up right from the time it entered the Indian market in the 1980s, the larger up gradation of India's technical skills has played a major role.

### OPPORTUNITIES AND THREATS

Indian auto component industry is one of the India's sunrise industries with tremendous growth prospects.

BSL is engaged in developing seating systems for passenger Car as well as Sports Utility Vehicles, Moulded Floor Carpets, Luggage Carpets, Extrusion Components for vehicle roof and windshield installation all for Maruti Suzuki India Ltd.

BSL is also engaged in developing the Seats and the complete seat assembly for Two wheelers for Suzuki Motor Cycle India Pvt. Ltd.

Despite of opportunities, the threat revolving around are

changes in regulatory requirements, shift in consumer demand etc

### PERFORMANCE AND RESEARCH & DEVELOPMENT

The R&D Department has successfully launched the seating system and started its supply for premium segment model "S-Cross" and "Vitara Brezza" to Maruti Suzuki.

Your R&D department was awarded In the recent Vendor meet of Maruti Suzuki India Limited, for doing correlation activity of Test lab with that of SMC Japan. This would help our esteemed customer to reduce the testing cost during product design and development phase.

Besides, the R&D Department has launched many minor programs termed as 'Refresh' in current platforms like Ritz, Ciaz etc.

### OUTLOOK

In order to become preferred supplier of customer and keeping in mind uniqueness of the product, your Company is laying immense emphasis on R&D's Process based approach to launch new products which will improve efficiency as well as quality of product. Experts from international pioneers in this product line, like Toyo Seats from Japan for Seating system design and Inoac, from Japan for extrusion, frequently visit our production facility for Kaizen initiatives and people training.

### RISK AND CONCERNS

The Company is exposed to external and internal risks associated with the business.

### BUSINESS RISK

The operations of the Company are directly dependent on the growth of the Indian automotive industry. General economic conditions impact the automotive industry and in turn the operations of the Company. The Company is dependent on several factors such as changes in Government policies & legislation, economy's growth, manufacturing input costs, cost inflation 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 Risk Management policy, with a clause on foreign exchange risk management in place.

Both the operational and financial risks are constantly measured and adequate steps are taken from time to time to mitigate them successfully.

### **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**

In the year under review, there was a rise in expenditure on account of strengthening of R&D Department and Business development. The Company continued its focus on lean operations and cost optimization through a number of measures.

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**

Sound human resource development policies of the Company ensures that each employee grows as an individual and contributes to the performance of the Company. It also works towards building a work culture aimed at achieving higher performance orientation. Industrial relations have been harmonious in all units.

### **DISCLAIMER**

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, 2016)**

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

Bharat Seats Limited is committed to conduct its business in compliance with the applicable laws, rules and regulations and highest standards of business ethics. Bharat Seats Ltd. recognizes that good Corporate Governance is a continuing exercise and remains committed to high standards of Corporate Governance. We, at Bharat Seats believe that good Corporate Governance generates sustainable corporate growth and is primarily concerned with the principles of integrity, fairness, transparency, accountability and commitment to values. Presently, The Securities and Exchange Board of India(Listing Obligations And Disclosure Requirements) Regulations, 2015, hereinafter referred to as LODR Regulations , (previously Clause 49 of the Listing Agreement with Stock Exchange) regulates corporate governance practices of Listed Companies and your company is complying with the same.

**2. BOARD OF DIRECTORS**

**(a) Composition of the Board**

As on 31st March, 2016, the Board of Directors consists of twelve Directors, with a Non-Executive

The details of Directors, category of Directors, No. of other Directorship/ Committee membership held by them as on 31st March, 2016 are given below:

| 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<br>DIN: 00240280 | CHAIRMAN          | PROMOTER/ NON-EXECUTIVE/ NON-INDEPENDENT                           | 3                           | 4       | 1                            | -        |
| 2.      | MR.ROHIT RELAN<br>DIN: 00257572        | MANAGING DIRECTOR | PROMOTER/ EXECUTIVE/ NON-INDEPENDENT                               | 2                           | 4       | -                            | -        |
| 3.      | MR .YOICHI KOJIMA<br>DIN: 02973263     | DIRECTOR          | NOMINEE – SUZUKI MOTOR CORPORATION/ NON-EXECUTIVE/ NON-INDEPENDENT | 1                           | 3       | -                            | -        |
| 4.      | MR AJAY RELAN<br>DIN: 00257584         | DIRECTOR          | PROMOTER/ NON-EXECUTIVE/ NON-INDEPENDENT                           | 2                           | 4       | -                            | -        |
| 5.      | MR. C.V.RAMAN<br>DIN: 07093663         | DIRECTOR          | NOMINEE – MARUTI SUZUKI INDIA LTD. NON-EXECUTIVE / NON-INDEPENDENT | 1                           | -       | -                            | -        |
| 6.      | MR G.N.MEHRA<br>DIN: 00059311          | DIRECTOR          | NON-EXECUTIVE/ INDEPENDENT                                         | 4                           | -       | 1                            | 4        |
| 7.      | MR P.K.LAHIRI<br>DIN: 00039653         | DIRECTOR          | NON-EXECUTIVE/ INDEPENDENT                                         | 1                           | -       | -                            | -        |
| 8.      | MR RAVINDRA GUPTA<br>DIN: 01521168     | DIRECTOR          | NON-EXECUTIVE/ INDEPENDENT                                         | -                           | -       | -                            | -        |
| 9.      | MR KISHAN N.PARIKH<br>DIN: 00453209    | DIRECTOR          | NON-EXECUTIVE/ INDEPENDENT                                         | 3                           | 4       | 2                            | 1        |
| 10.     | MRS SHYAMLA KHERA<br>DIN: 06929439     | DIRECTOR          | NON-EXECUTIVE/ INDEPENDENT                                         | -                           | -       | -                            | -        |
| 11.     | MR ARVIND VARMA<br>DIN: 02225281       | DIRECTOR          | NON-EXECUTIVE/ INDEPENDENT                                         | -                           | -       | -                            | -        |
| 12.     | MR T.J.CHACKO<br>DIN: 07005026         | DIRECTOR          | EXECUTIVE/ NON-INDEPENDENT                                         | -                           | -       | -                            | -        |

Chairman. There are two executive Directors of the Company, the Managing Director and the Director(Operations). The remaining ten Directors are non-executive Directors, out of which six Directors are independent. The number of Independent Directors is fifty percent of the total number of Directors, including one woman Director.

Maruti Suzuki India Ltd., co-promoter and major customer of Bharat Seats, has nominated one non-executive Director on the Board of the Company. Also Suzuki Motor Corporation, co-promoter has nominated one non-executive Director on the Board of the Company.

The Company is in compliance with the Regulation 17 of SEBI (Listing Obligations And disclosure Requirements) Regulations, 2015, (hereinafter referred to as: LODR Regulations), 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 Mr. Rohit Relan, 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.

**NOTES:**

The Committees considered for the purpose are those prescribed under Regulation 26(1)(b) of the LODR Regulations 2015. None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all listed Companies in which he is a Director.

All the relevant information, required to be placed before the Board of Directors as per Regulation 17(7) of LODR Regulations 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.

**(b) Number of Board Meetings**

During 2015-16, the Board of Directors met four times on 15th April, 2015, 17th July, 2015, 2nd November, 2015 and 18th Jan, 2016. The maximum gap between two Board meetings was less than one hundred twenty days.

**ATTENDANCE RECORD OF THE DIRECTORS AT THE BOARD MEETINGS AND AT THE ANNUAL GENERAL MEETING 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      | 3                              | YES                         |
| MR. AJAY RELAN         | 3                              | NO                          |
| MR. C.V.RAMAN*         | 2                              | N.A                         |
| MR. G.N.MEHRA          | 4                              | YES                         |
| MR. P.K.LAHIRI         | 4                              | YES                         |
| MR. I.V.RAO **         | 2                              | YES                         |
| MR. KISHAN N.PARIKH    | 1                              | YES                         |
| MR. RAVINDRA GUPTA     | 4                              | YES                         |
| MRS. SHYAMLA KHERA     | 4                              | YES                         |
| MR. ARVIND VARMA       | 4                              | YES                         |
| MR. T.J.CHACKO         | 4                              | YES                         |

\* Mr. C.V.Raman was appointed a Director w.e.f. 18.07.2015, nominee of Maruti Suzuki India Ltd., in place of Mr. I.V.Rao.

\*\* Mr. I.V.Rao ceased to be a Director after the close of business hours on 17.07.2015., after withdrawal of nomination by Maruti Suzuki India Ltd.

The Chairman of the Audit Committee and Nomination and Remuneration Committee attended the Annual General Meeting.

**(c) Independent Directors**

The Company has six Independent Directors having expertise in their respective fields.

All Independent Directors have given a declaration that they meet the criteria of Independence as required under section 149(7) of the Companies Act, 2013, and they maintain the limit of Directorship as required under LODR Regulations..

During the year, a separate meeting of the Independent Directors was held on 18.01.2016 without the attendance of Non Independent Directors. All the Independent Directors except Mr. Kishan N Parikh attended the said meeting.

**(d) Familiarisation Programme**

The Company follows familiarisation programmes through various reports/ codes/ policies for all the Directors. The details of familiarization programme have been posted on the website of the Company under the weblink:[http://www.bharatseats.com/Investors/Policies/Codes/Programmes/Familiarisation Programmes for Independent Directors.pdf](http://www.bharatseats.com/Investors/Policies/Codes/Programmes/Familiarisation%20Programmes%20for%20Independent%20Directors.pdf).

**(e) Pecuniary Relationship**

The independent Directors do not have any material pecuniary relationship or transactions with the Company, its Directors and its senior management personnel which may affect their independence, except for the Sitting fees, drawn for attending the meetings of the Board and Committee(s) thereof.

**(f) Performance Evaluation of Directors**

The Nomination and Remuneration Committee of the Board reviewed the the criteria laid down for the performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

**(g) 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.
- Minutes of the meetings of the Audit Committee and other committees of the Board.
- 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.
- Regular assessment of risk and minimization procedure as per Risk Management policy of the Company. 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, in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India.

### **3. AUDIT COMMITTEE**

The Company has a qualified Audit Committee and Mr. G. N. Mehra, Chairman of the Audit Committee is Non Executive Independent Director of the Board who has relevant accounting and financial expertise. The composition and terms of reference of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and with Regulation 18(1) of the LODR Regulations. 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:

#### **(a) Functions of the Audit Committee**

- i) 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;



- ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
  - iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - iv) 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.
  - v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - vi) 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;
  - vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - viii). Approval or any subsequent modification of transactions of the company with related parties;
  - ix) Scrutiny of inter-corporate loans and investments;
  - x) Valuation of undertakings or assets of the company, wherever it is necessary;
  - xi) Evaluation of internal financial controls and risk management systems;
  - xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - xiii) 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;
  - xiv) Discussion with internal auditors of any significant findings and follow up there on;
  - xv). 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;
  - xvi) 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;
  - xvii) 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;
  - xviii) To review the functioning of the Whistle Blower mechanism;
  - xix) 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;
  - xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (b) Powers of Audit Committee**
- i) To investigate any activity within its terms of reference.
  - ii) To seek information from any employee.
  - iii) To obtain outside legal or other professional advice.
  - iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (c) Review of information by Audit Committee**
- The Audit Committee shall mandatorily review the following information:
- i) Management Discussion and Analysis of financial condition and results of operations;
  - ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;



- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- vi) Statement of deviations:
- (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The meetings of Audit Committee were held on 15th April, 2015, 17th July, 2015, 2nd November, 2015 and 18th Jan, 2016. The maximum gap between two meetings was less than one hundred twenty days.

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

| S. No. | Name               | Category                               | Designation | 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. The Managing Director, CFO, Internal Auditor and partner of Statutory Auditors are invited to the meeting of the Audit Committee. The Chairman of the Audit Committee attended the last Annual General Meeting to answer the shareholders' queries.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The meetings of Nomination And Remuneration Committee were held on 17th July, 2015 and 18th Jan, 2016. 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 | 2                    | 2                        |
| 2      | Mr. G. N. Mehra    | Non-Executive/ Independent Director | Member   | 2                    | 2                        |
| 3      | Mr. Ravindra Gupta | Non-Executive/ Independent Director | Member   | 2                    | 2                        |
| 4.     | Mr. Arvind Varma   | Non-Executive/ Independent Director | Member   | 2                    | 2                        |

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

The Committee's constitution and terms of reference are in compliance with the provisions of the Section 178 of The Companies Act, 2013 and Regulation 19 of the LODR Regulations, besides other terms as may be referred by the Board of Directors.

#### Remuneration policy

The Committee's constitution and terms of reference are in compliance with the provisions of section 178 of the Companies Act and Part D of Schedule II of Listing Regulations, 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 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 criteria 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.
- 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. 40,000/- for each meeting of the Board/Committee of the Board attended by them during the financial year.

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              |                                           |             | 5,20,000          |
| Mr. Rohit Relan      | Managing Director     | Salary                                    | 87,00,000   |                   |
|                      |                       | Allowances & Perquisites                  | 5,22,678    |                   |
|                      |                       | Contribution to P.F.                      | 11,62,320   |                   |
|                      |                       | Total                                     | 1,03,84,998 | -                 |
| Mr. Y.Kojima         | Director              |                                           | -           | 1,20,000          |
| Mr. C.V.Raman        | Director              |                                           | -           | 80,000            |
| Mr. I.V.Rao          | Director              |                                           | -           | 80,000            |
| Mr. Ajay Relan       | Director              |                                           | -           | 1,20,000          |
| Mr. G.N.Mehra        | Director              |                                           | -           | 6,40,000          |
| Mr. P.K.Lahiri       | Director              |                                           | -           | 6,00,000          |
| Mrs. Shyamla Khera   | Director              |                                           | -           | 4,00,000          |
| Mr. Ravindra Gupta   | Director              |                                           | -           | 4,80,000          |
| Mr. Kishan N. Parikh | Director              |                                           | -           | 40,000            |
| Mr. Arvind Varma     | Director              |                                           | -           | 2,80,000          |
| Mr. T.J.Chacko       | Director (Operations) | Salary                                    | 15,12,000   |                   |
|                      |                       | Allowances/<br>Perquisites/Reimbursements | 20,46,334   |                   |
|                      |                       | Contribution to P.F.                      | 2,02,003    |                   |
|                      |                       | Total                                     | 37,60,337   |                   |

## 5. Stakeholders' Relationship Committee

The Committee's composition and the terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 20(1) &(2) of the LODR Regulations.

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

- Transfer/Transmission/ Split/ Consolidation 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 15th April, 2015, 17th July, 2015, 2nd November, 2015 and 18th Jan, 2016.

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                    | 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. P. K. Lahiri   | Non-Executive/Independent Director     | Member      | 4                    | 4                        |

**Details of the status of the Complaints received during the year in the following statement:**

| 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                                                             | 6        | 6        | -       |

Ms. Ritu Bakshi, Company Secretary is the Compliance Officer as per Regulation 6 of LODR Regulations, 2015. There are no shares pending for transfer as on 31st March 2016.

## 6. 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, which includes recommending to the Board, indicating the activities of CSR to be undertaken.

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

Meeting held on 18th January, 2016

| 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 Khera | Non-Executive/Independent Director     | Member   | 1                    | 1                        |

**7. GENERAL BODY MEETINGS**

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

| Year | Date       | Time    | Venue                           | Whether Special Resolution passed |
|------|------------|---------|---------------------------------|-----------------------------------|
| 2015 | 17.07.2015 | 11 a.m. | Air Force Auditorium, New Delhi | No                                |
| 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                               |

**Postal Ballots during the year:**

There were no Postal Ballots carried out during the year.

**8. 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 :www.bharatseats.com and also uploaded on BSE.
- 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.

**9. GENERAL SHAREHOLDERS INFORMATION****(a) 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 29th Annual general meeting and forms part of the Corporate Governance Report.

**(b) Annual General Meeting**

|                                  |                                                        |
|----------------------------------|--------------------------------------------------------|
| Number of Annual General Meeting | 29th Annual General Meeting                            |
| Date & Time                      | 20th July, 2016 at 11:00 a.m.                          |
| Venue                            | Air Force Auditorium, Subroto Park, New Delhi - 110010 |

**(c) Financial Calender : 2016-17, 1st April, 2016 to 31st March, 2017**

|                                                     |                                   |
|-----------------------------------------------------|-----------------------------------|
| Financial Reporting for the Financial year: 2016-17 |                                   |
| First Quarter Ended June, 2016                      | Before 2nd week of August, 2016   |
| Second Quarter Ended September, 2016                | Before 2nd week of November, 2016 |
| Third Quarter Ended December, 2016                  | Before 2nd week of January, 2017  |
| Year ended March, 2017                              | April, 2017                       |

**(d) Book Closure Dates**

From 14<sup>th</sup> July, 2016 to 20<sup>th</sup> July 2016(both days inclusive)

**(e) Dividend Payment date**

The Dividend, if declared, will be paid within 30 days of the Annual General Meeting



**(f). As on 31st March 2016, the Equity Shares of the company are listed on:**

BSE Limited.  
25th Floor, P.J. Towers  
Dalal Street,  
Mumbai – 400 001  
Listing fee for the financial year: 2016-2017 has been paid to the stock exchange.

**(g) Stock Code**

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

**(h) Market Price data:**

Monthly High & Low quotations as well as the volume of the equity shares of the company traded for the year 2015-2016 based upon BSE Price data is given below:

| MONTH           | BSE – HIGH | BSE - LOW | VOLUMES | BSE SENSEX |
|-----------------|------------|-----------|---------|------------|
| APRIL, 2015     | 40.50      | 29.95     | 972596  | 27011      |
| MAY, 2015       | 36.90      | 32.10     | 190353  | 27828      |
| JUNE, 2015      | 35.50      | 30.15     | 269520  | 27780      |
| JULY, 2015      | 43.00      | 31.00     | 1470332 | 28114      |
| AUGUST, 2015    | 40.50      | 29.00     | 451450  | 26283      |
| SEPTEMBER, 2015 | 31.40      | 28.40     | 152556  | 26154      |
| OCTOBER, 2015   | 37.00      | 29.25     | 280849  | 26656      |
| NOVEMBER, 2015  | 36.20      | 32.00     | 322348  | 26145      |
| DECEMBER, 2015  | 55.00      | 34.35     | 2950042 | 26117      |
| JANUARY, 2016   | 58.40      | 39.00     | 1092540 | 24870      |
| FEBRUARY, 2016  | 43.20      | 31.55     | 223144  | 23002      |
| MARCH, 2016     | 36.50      | 32.95     | 327689  | 25342      |

**(i) 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

**(j) 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.

**(k) Distribution of Shareholding as on 31.03.2016:**

| S.NO. | NO. OF SHARES HELD | NO. OF HOLDERS | PERCENTAGE OF HOLDERS(%) | HOLDING  | PERCENTAGE OF HOLDING (%) |
|-------|--------------------|----------------|--------------------------|----------|---------------------------|
| 1.    | UPTO 500           | 19466          | 89.46                    | 835698   | 2.66                      |
| 2.    | 501 TO 1000        | 1189           | 5.46                     | 1106429  | 3.52                      |
| 3.    | 1001 TO 5000       | 879            | 4.04                     | 2147604  | 6.84                      |
| 4.    | 5001 TO 10000      | 104            | 0.48                     | 806548   | 2.57                      |
| 5.    | 10001 TO 20000     | 64             | 0.29                     | 960037   | 3.06                      |
| 6.    | 20001 TO 30000     | 19             | 0.09                     | 474689   | 1.51                      |
| 7.    | 30001 TO 40000     | 7              | 0.03                     | 238108   | 0.76                      |
| 8.    | 40001 TO 50000     | 5              | 0.02                     | 217809   | 0.69                      |
| 9.    | 50001 TO 100000    | 6              | 0.03                     | 394135   | 1.26                      |
| 10.   | 100001 TO 500000   | 18             | 0.08                     | 4861493  | 15.48                     |
| 11.   | 500001 & ABOVE     | 4              | 0.02                     | 19357450 | 61.65                     |
|       | TOTAL              | 21761          | 100.00                   | 31400000 | 100.00                    |

**(l) Shareholding pattern as on 31.03.2016:**

| S. No. | Category                          | No. of Shareholders | % of Shareholders | No. of Equity Shares | % of Shares |
|--------|-----------------------------------|---------------------|-------------------|----------------------|-------------|
| 1.     | Promoters & Associate Companies : |                     |                   |                      |             |
| a.     | Indian                            | 17                  | 0.08              | 18708458             | 59.58       |
| b.     | Foreign                           | 1                   |                   | 4650000              | 14.81       |
| 2.     | Non-Promoter Shareholding:        |                     |                   |                      |             |
| a.     | Indian Companies                  | 160                 | 0.74              | 638710               | 2.03        |
| b.     | Mutual Funds                      | 1                   |                   | 1000                 |             |
| c.     | Financial Institutions            | 1                   |                   | 34000                | 0.11        |
| d.     | NRIs                              | 56                  | 0.26              | 109900               | 0.35        |
| e.     | Trust                             | 1                   |                   | 56097                | 0.18        |
| f.     | Public                            | 21524               | 98.92             | 7201835              | 22.94       |
|        | TOTAL                             | 21761               | 100.00            | 31400000             | 100.00      |

**(m) 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            | 8000                              |

**(n) Dematerialisation of Shares and liquidity**

98.40% of the Equity Shares of the Company have been dematerialized as at 31st March'2016. The Shares of the Company are available for trading with both the Depositories, namely; National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).



## BHARAT SEATS LIMITED

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

Pursuant to Schedule V of the LODR Regulations, the details of shares held in **Unclaimed Suspense Account of "Bharat Seats Limited – Unclaimed Suspense Account"** with Alankit Assignments Limited are as follows:

| Type of Securities | Balance As on 1 <sup>st</sup> April, 2015 |               | 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, 2016 |               |
|--------------------|-------------------------------------------|---------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------|---------------|
|                    | No. of records                            | No. of shares |                                                                       |                                                                           | No. of records                 | No. of shares |
| Equity Shares      | 82                                        | 103020        | 3                                                                     | 3                                                                         | 79                             | 100020        |

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**(o) Plant Location:**

**1) Plant – I**

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

**2). Plant- II**

Plot No.Mustill No.226, Kila No.7/1,  
Village Bhorakalan, Gurgaon(Haryana)

**3) Plant-III**

Plot No. 26, Sector-3A, Maruti Supplier Park,  
IMT, Manesar, Gurgaon (Haryana)

**(p) Registered Office :**

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

**(q) Investor Relation Cell address for Correspondence**

Investors/ shareholders correspondence may be addressed either to the Company's Secretarial Department is functioning at the works- Plant No.1 of the Company at Gurgaon, or to its Registrar and Transfer Agent: Alankit Assignments Ltd.

**10. 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.

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 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.

Adoption of Non Mandatory requirements as stipulated under Listing Regulations are being reviewed by the Board from time to time.

**11. CODE OF CONDUCT**

The Board of Directors has adopted the Code of Conduct 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.

**12. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

The Company has adopted a Code for Prevention of Insider Trading as per SEBI((Prohibition of Insider Trading)Regulations, 2015. All Directors and Designated Employees who could have access to the Unpublished Price Sensitive Information are governed by the Code.

**13. 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.

**14. CEO/CFO CERTIFICATION**

In compliance with Regulation 33 of the LODR Regulations, the Company duly places a Certificate signed by Managing Director and Chief Financial Officer of the Company before the Board of Directors.

**15. COMPLIANCE**

The Company obtains a certificate from its Statutory Auditors regarding compliance of conditions of Corporate Governance stipulated under Listing Regulations 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.



## **DECLARATIONS**

### **CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR: 2015-16**

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 Listing Regulations, 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, 2016.

**For Bharat Seats Limited**

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

### **CEO / CFO Certification**

As required by sub clause 2 of Regulation 33 of the SEBI (Listing Obligation And Disclosure Requirement) Regulations, we have certified to the Board that for the financial year ended March 31, 2016, 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. V.P.(Strategic Planning)**

**For Bharat Seats Limited**

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

**Dated : 15th April, 2016**



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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, 2016 as stipulated in Chapter IV of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015.

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, 2016

## 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, 2016, 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. 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, 2016 and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('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 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".
- g. 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, 2016



**ANNEXURE - A**  
**TO THE INDEPENDENT AUDITOR'S 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, the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deed of immovable property is held in the name of the company.
- (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) As per the information and explanation given to us and on the basis of our examination of the records, the Company had 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 , which have been fully recovered

during the year.

- (iv) As per the information and explanation given to us and on the basis of our examination of the records, the company does not have any loans, investments, guarantees and security under Section 185 and 186 of the Companies Act, 2013.
- (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, value added tax, 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.
- (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, value added tax, 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 | Demand of Excise Duty on account of difference in reconciliation (Including Penalty) | 228.20               | 1997-99                            | Hon'ble CESTAT , New Delhi                              |
| 2      | Central Excise Act, 1944 | SCN for excise duty u/s 11A                                                          | 27.69                | 2004-06                            | First Appellate Authority (With Adjudicating authority) |

The Central excise liability for Rs. 3,195 lacs has not been considered by virtue of note no. 20 of financial statements.

- (viii) 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.
- (ix) As per the information and explanation given to us and on the basis of our examination of the records, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which they were obtained.
- (x) 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 by the company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) As per the information and explanation given to us and on the basis of our examination of the records, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The company is not Nidhi Company, therefore this clause is not applicable to the company.
- (xiii) As per the information and explanation given to us and on the basis of our examination of the records, the company has transacted with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements – Refer Note 43(b) to the financial statements.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the information and explanations given to us and on the basis of our examination of the records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore this clause is not applicable to 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, 2016

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE FINANCIAL STATEMENTS OF BHARAT SEATS LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharat Seats Limited ("the Company") as at March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any



evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, based on summarised of observations on Internal Financial Control Report along with annexures, the Company has, in majority of material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2016, based on "the internal

control over financial reporting system and procedures established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Place : New Delhi  
Date : 15th April, 2016  
Neeraj Bansal  
Partner  
Membership No. 95960

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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.

**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****Tangible 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.

**Intangible Assets:**

Intangible Assets are recognized if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the company.

**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 and Amortisation:**

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.

- b) Purchased software are amortised over a period of six years which is the estimated useful life of these assets considering the provisions of Accounting Standard – 26 “Intangible Assets”.

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.

**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

**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:**
- Cost is determined on the basis of FIFO method. Cost includes the purchase price as well as the incidental expenses.
  - Valuation of Finished Goods includes Excise Duty thereon.


**xi) Employees Retirement Benefits**

- a) Retirement benefits in the form of Provident fund / Pension Schemes are defined contribution 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 Life Insurance Corporation (LIC) to cover the gratuity liability of the employees. The difference 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 2016**

| Particulars                        | Note No. | As At<br>31st March 2016<br>(Rs.) | As At<br>31st March 2015<br>(Rs.) |
|------------------------------------|----------|-----------------------------------|-----------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                                   |                                   |
| <b>1 Shareholders' funds</b>       |          |                                   |                                   |
| (a) Share capital                  | 2        | 62,800,000                        | 62,800,000                        |
| (b) Reserves and surplus           | 3        | 436,491,816                       | 400,072,562                       |
|                                    |          | <b>499,291,816</b>                | <b>462,872,562</b>                |
| <b>2 Non-current liabilities</b>   |          |                                   |                                   |
| (a) Long-term borrowings           | 4        | 221,331,176                       | 380,335,910                       |
| (b) Deferred tax liabilities (Net) | 5        | 110,589,128                       | 108,329,279                       |
| (c) Other Long term liabilities    | 6        | 2,150,000                         | 80,874,777                        |
| (d) Long-term provisions           | 7        | 10,874,398                        | 7,744,498                         |
|                                    |          | <b>344,944,702</b>                | <b>577,284,464</b>                |
| <b>3 Current liabilities</b>       |          |                                   |                                   |
| (a) Short-term borrowings          | 8        | 315,233,800                       | 300,150,428                       |
| (b) Trade payables                 | 9        | 998,262,412                       | 917,411,591                       |
| (c) Other current liabilities      | 10       | 354,898,549                       | 352,542,844                       |
| (d) Short-term provisions          | 11       | 38,301,731                        | 36,068,913                        |
|                                    |          | <b>1,706,696,492</b>              | <b>1,606,173,776</b>              |
| <b>TOTAL</b>                       |          | <b>2,550,933,010</b>              | <b>2,646,330,802</b>              |
| <b>II. ASSETS</b>                  |          |                                   |                                   |
| <b>1 Non-current assets</b>        |          |                                   |                                   |
| (a) Fixed assets                   |          |                                   |                                   |
| (i) Tangible assets                | 12       | 1,437,673,903                     | 1,494,860,890                     |
| (ii) Intangible assets             | 12       | 4,214,686                         | 5,520,561                         |
| (iii) Capital work-in-progress     | 13       | 11,908,418                        | 30,958,465                        |
| (b) Long-term loans and advances   | 14       | 67,371,543                        | 165,966,706                       |
|                                    |          | <b>1,521,168,550</b>              | <b>1,697,306,622</b>              |
| <b>2 Current assets</b>            |          |                                   |                                   |
| (a) Current investments            | 15       | -                                 | -                                 |
| (b) Inventories                    | 16       | 144,127,055                       | 115,782,640                       |
| (c) Trade receivables              | 17       | 828,139,262                       | 767,551,353                       |
| (d) Cash and bank balances         | 18       | 9,368,302                         | 9,069,633                         |
| (e) Short-term loans and advances  | 19       | 48,129,841                        | 56,620,554                        |
|                                    |          | <b>1,029,764,460</b>              | <b>949,024,180</b>                |
| <b>TOTAL</b>                       |          | <b>2,550,933,010</b>              | <b>2,646,330,802</b>              |

**SIGNIFICANT ACCOUNTING POLICIES**

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

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. V.P.(Strategic Planning)

Place : New Delhi  
Dated : 15th April, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

| Particulars                                                                  | Note No. | Year Ended<br>31st March 2016<br>(Rs.) | Year Ended<br>31st March 2015<br>(Rs.) |
|------------------------------------------------------------------------------|----------|----------------------------------------|----------------------------------------|
| I. Revenue from operations, Gross                                            |          | 7,931,369,017                          | 7,820,534,122                          |
| Less: Excise Duty                                                            |          | 933,009,562                            | 886,301,675                            |
| Revenue from operations, Net                                                 | 23       | 6,998,359,455                          | 6,934,232,447                          |
| II. Other income                                                             | 24       | 21,987,873                             | 16,623,212                             |
| III. <b>Total Revenue (I + II)</b>                                           |          | <b>7,020,347,328</b>                   | <b>6,950,855,659</b>                   |
| IV. Expenses:                                                                |          |                                        |                                        |
| Cost of materials consumed                                                   | 25       | 6,078,409,238                          | 6,028,933,363                          |
| Purchases of Stock-in-Trade                                                  | 26       | 3,124,011                              | 6,598,767                              |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 27       | (10,181,612)                           | (3,081,451)                            |
| Employee benefits expense                                                    | 28       | 183,535,179                            | 147,826,905                            |
| Finance costs                                                                | 29       | 53,796,633                             | 62,091,715                             |
| Depreciation and amortization expense                                        | 30       | 167,022,144                            | 164,224,573                            |
| Other expenses                                                               | 31       | 448,820,668                            | 430,457,494                            |
| <b>Total expenses</b>                                                        |          | <b>6,924,526,261</b>                   | <b>6,837,051,366</b>                   |
| V. <b>Profit before tax (III-IV)</b>                                         |          | <b>95,821,067</b>                      | <b>113,804,293</b>                     |
| VI. Tax expense:                                                             |          |                                        |                                        |
| Current Tax                                                                  | 32       | 23,128,907                             | 23,674,318                             |
| MAT Credit Entitlement                                                       |          | -                                      | (179,062)                              |
| Net Current Tax Expense                                                      |          | 23,128,907                             | 23,495,256                             |
| Deferred Tax                                                                 | 33       | 2,259,848                              | 9,109,438                              |
|                                                                              |          | 25,388,755                             | 32,604,694                             |
| VII <b>Profit after tax for the period (V - VI)</b>                          |          | <b>70,432,312</b>                      | <b>81,199,599</b>                      |
| VIII Earnings per equity share of Rs. 2 each:                                |          |                                        |                                        |
| (1) Basic                                                                    | 34       | 2.24                                   | 2.59                                   |
| (2) Diluted                                                                  | 34       | 2.24                                   | 2.59                                   |

**SIGNIFICANT ACCOUNTING POLICIES**

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

RITU BAKSHI  
Company Secretary

N. D. RELAN  
Chairman & Director

SANJEEV KUMAR  
Chief Financial Officer

ROHIT RELAN  
Managing Director

RAJAT BHANDARI  
Sr. V.P.(Strategic Planning)

Place : New Delhi  
Dated : 15th April, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

| Particulars                                                                  | For the year<br>Ended 31st<br>March 2016<br>(Rs.) | For the year<br>Ended 31st<br>March 2015<br>(Rs.) |
|------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                               |                                                   |                                                   |
| Profit before tax                                                            | 95,821,067                                        | 113,804,293                                       |
| <b>Adjustments for :</b>                                                     |                                                   |                                                   |
| Depreciation                                                                 | 167,022,144                                       | 164,224,573                                       |
| Loss(+)/Profit (-) on sale of Fixed assets/Assets w/o                        | 2,648,096                                         | 1,373,707                                         |
| Loss(+)/Profit (-) on sale of investments                                    | -                                                 | (19,131)                                          |
| Interest expense                                                             | 53,796,633                                        | 62,091,715                                        |
| <b>Operating Cash Flow before Working Capital Changes</b>                    | <b>319,287,940</b>                                | <b>341,475,157</b>                                |
| <b>Adjustments for changes in Working Capital :</b>                          |                                                   |                                                   |
| (Increase)/Decrease in Inventories                                           | (28,344,415)                                      | (5,300,097)                                       |
| (Increase)/Decrease in trade & other receivables                             | (60,587,909)                                      | (107,723,132)                                     |
| (Increase)/Decrease in loans & advances                                      | 105,025,578                                       | (12,129,121)                                      |
| Increase/(Decrease) in trade & other payables                                | 23,958,749                                        | 158,500,111                                       |
| Increase/(Decrease) in provisions                                            | 5,362,718                                         | 3,486,023                                         |
| <b>Cash Generated from Operating Activities</b>                              | <b>364,702,661</b>                                | <b>378,308,941</b>                                |
| Direct Taxes Paid                                                            | (21,068,609)                                      | (21,624,405)                                      |
| <b>Net Cash from Operating Activities</b>                                    | <b>343,634,052</b>                                | <b>356,684,536</b>                                |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                               |                                                   |                                                   |
| Purchase of Fixed Assets                                                     | (63,164,944)                                      | (130,652,866)                                     |
| Purchase of Investments                                                      | -                                                 | -                                                 |
| Sale of Investments                                                          | -                                                 | 406,736                                           |
| Dividend Received                                                            | -                                                 | -                                                 |
| Interest received on Fixed Deposits                                          | -                                                 | -                                                 |
| <b>Net Cash from/(used in) Investing Activities</b>                          | <b>(63,164,944)</b>                               | <b>(130,246,130)</b>                              |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                               |                                                   |                                                   |
| Proceeds from Long term borrowings & its current maturity                    | 50,000,000                                        | 110,000,000                                       |
| Repayment of Long Term Loan                                                  | (257,564,967)                                     | (248,188,212)                                     |
| Proceeds from Short Term borrowings                                          | 15,083,372                                        | 4,091,022                                         |
| Dividend Paid                                                                | (28,260,000)                                      | (25,120,000)                                      |
| Corporate Dividend Tax                                                       | (5,753,058)                                       | (4,269,144)                                       |
| Interest Paid                                                                | (53,812,663)                                      | (62,340,044)                                      |
| <b>Net Cash from Financing Activities</b>                                    | <b>(280,307,316)</b>                              | <b>(225,826,378)</b>                              |
| <b>Net Increase(+)/Decrease (-) in cash and bank balances (A+B+C)</b>        | <b>161,792</b>                                    | <b>612,028</b>                                    |
| <b>Cash and Bank balances as at April 1st (Opening)</b>                      | <b>7,491,706</b>                                  | <b>6,879,678</b>                                  |
| <b>Cash and Bank balances as at March 31st (Closing)</b>                     | <b>7,653,498</b>                                  | <b>7,491,706</b>                                  |
| <b>Reconciliation</b>                                                        |                                                   |                                                   |
| Cash and Bank balances as per Balance Sheet                                  | 9,368,302                                         | 9,069,633                                         |
| Less: Unpaid dividend current account with Banks                             | 1,714,804                                         | 1,577,927                                         |
| <b>Net Cash and Bank balances as at March 31st (Closing) (refer note 18)</b> | <b>7,653,498</b>                                  | <b>7,491,706</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

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. V.P.(Strategic Planning)

Place : New Delhi  
Dated : 15th April, 2016

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

| Particulars                                          | As at 31st March 2016 |            | As at 31st March 2015 |            |
|------------------------------------------------------|-----------------------|------------|-----------------------|------------|
|                                                      | Number                | Amount     | Number                | Amount     |
| <b>Authorised</b>                                    |                       |            |                       |            |
| Equity Shares of 2/- each                            | 35,000,000            | 70,000,000 | 35,000,000            | 70,000,000 |
|                                                      | 35,000,000            | 70,000,000 | 35,000,000            | 70,000,000 |
| <b><u>Issued, Subscribed &amp; Fully Paid up</u></b> |                       |            |                       |            |
| Equity Shares of 2/- each                            |                       |            |                       |            |
| Opening                                              | 31,400,000            | 62,800,000 | 31,400,000            | 62,800,000 |
| <b>Additions</b>                                     | -                     | -          | -                     | -          |
| <b>Deductions</b>                                    | -                     | -          | -                     | -          |
| <b>Closing</b>                                       | 31,400,000            | 62,800,000 | 31,400,000            | 62,800,000 |
| <b>Total</b>                                         | 31,400,000            | 62,800,000 | 31,400,000            | 62,800,000 |

**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 2016, the amount of per share dividend recognized as distributions to Equity Shareholders is Re 0.90/- (31st March 2015 : Re 0.90). The total dividend appropriation for the year ended 31st March 2016 amounted to Rs. 34,013,058/- (Rs 34,013,058) including corporate dividend tax of Rs. 5,753,058/- (Rs 5,753,058). 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 2016 |              | As at 31st March 2015 |              |
|---------------------------------|-----------------------|--------------|-----------------------|--------------|
|                                 | 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<br>March 2016 | As at 31st<br>March 2015 |
|---------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Capital Reserves</b>                                                   |                          |                          |
| Grant from World Bank                                                     | 18,416,620               | 18,416,620               |
| Closing Balance                                                           | <b>18,416,620</b>        | <b>18,416,620</b>        |
| <b>General Reserve</b>                                                    |                          |                          |
| Opening Balance                                                           | 376,655,942              | 330,436,240              |
| Less: Depreciation (net of deferred taxes) (refer point no. 6 of Note 44) | -                        | 966,839                  |
| Net Balance                                                               | 376,655,942              | 329,469,401              |
| (+) Current Year Transfer from Profit & Loss A/c                          | -                        | 47,186,541               |
| Closing Balance                                                           | <b>376,655,942</b>       | <b>376,655,942</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                                       | 70,432,312               | 81,199,599               |
| Amount available for appropriation                                        | 75,432,312               | 86,199,599               |
| (-) Proposed Dividends                                                    | 28,260,000               | 28,260,000               |
| (-) Corporate Dividend Tax                                                | 5,753,058                | 5,753,058                |
| (-) Transfer to General Reserve                                           | -                        | 47,186,541               |
| Closing Balance                                                           | <b>41,419,254</b>        | <b>5,000,000</b>         |
| <b>Total</b>                                                              | <b>436,491,816</b>       | <b>400,072,562</b>       |

### 4. Long Term Borrowings

(All amounts in Rs., unless otherwise stated)

| Particulars                             | As at 31st March 2016 |                    | As at 31st March 2015 |                    |
|-----------------------------------------|-----------------------|--------------------|-----------------------|--------------------|
|                                         | Secured               | Unsecured          | Secured               | Unsecured          |
| Term loans -from banks                  | 89,875,038            | 15,456,138         | 288,297,473           | 26,038,437         |
| Loans and advances from related parties | -                     | 116,000,000        | -                     | 66,000,000         |
| <b>Total</b>                            | <b>89,875,038</b>     | <b>131,456,138</b> | <b>288,297,473</b>    | <b>92,038,437</b>  |
| <b>Grand Total</b>                      |                       | <b>221,331,176</b> |                       | <b>380,335,910</b> |


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

| Particulars                      | As at 31st March 2016 | As at 31st March 2015 | Particulars of security / guarantees / terms of repayment / default                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------|-----------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| - <u>FCNR(B) Loan from Banks</u> |                       |                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Loan 1                           |                       |                       | <b>Particulars of Security:</b><br>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.<br><br><b>Terms of Repayment:</b><br>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:<br><br>USD 61,238.84 * 48 months<br>USD 61,238.91 * 01 month<br>Rate of interest 450 bps above six month USD LIBOR                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Balance outstanding              | 30,047,666            | 74,380,719            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Current Maturity                 | 30,047,666            | 44,628,417            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Non - current amount             | -                     | 29,752,302            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Loan 2                           |                       |                       | <b>Particulars of Security:</b><br>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<br><br><b>Terms of repayment:</b><br>Period of loan is 60 months(20 quarters) with first installment falling due for payment in December,2012 as per detail given below:<br><br>USD 214,014.49*3 quarters<br>USD 403,415.33*4 quarters<br>USD 473,492.15*12 quarters<br>USD 111,755.68*1 quarters<br>Rate of interest is 450 bps above 6month USD LIBOR<br><br>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" |
| Balance outstanding              | 152,057,362           | 266,733,902           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Current Maturity                 | 116,162,587           | 115,518,999           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Non - current amount             | 35,894,775            | 151,214,903           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |


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

|                      |                   |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------|-------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Loan 3               |                   |                    | <b>Particulars of security</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Balance outstanding  | 107,960,531       | 160,995,404        | First pari passu charge on all the fixed assets (excluding those which are exclusively charge to other lenders) both present and future. First pari passu charge on the land with factory located at Bhoralakan.<br><br><b>Terms of Repayment</b><br>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:<br>USD 67,171.80 * 12 quarters<br>USD 55,251.6714*12 quarters<br>USD 98,236.49*11 quarters<br>USD 98236.41*1 quarter<br>Rate of interest is above 3 months USD LIBOR as follows:<br>i) For USD 806061.58 is 505 bps<br>ii) For USD 1841857.86 is 480 bps |
| Current Maturity     | 53,980,268        | 53,665,136         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Non - current amount | 53,980,263        | 107,330,268        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Total</b>         | <b>89,875,038</b> | <b>288,297,473</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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

| Particulars                                                             | As at 31st March 2016 | As at 31st March 2015 | Particulars of security / guarantees / terms of repayment / default                                                                                                                                                                      |
|-------------------------------------------------------------------------|-----------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term loans -from banks</b>                                           |                       |                       |                                                                                                                                                                                                                                          |
| <b>- <u>Loan from Bank of Tokyo (External Commercial Borrowing)</u></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. |
| Balance outstanding                                                     | -                     | 7,629,775             |                                                                                                                                                                                                                                          |
| Current Maturity                                                        | -                     | 7,629,775             |                                                                                                                                                                                                                                          |
| Non - current amount                                                    | -                     | -                     |                                                                                                                                                                                                                                          |
| 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.<br><br>Rate of interest-JPY LIBOR+250 BPS     |
| Balance outstanding                                                     | 16,901,768            | 22,369,232            |                                                                                                                                                                                                                                          |
| Current Maturity                                                        | 8,450,886             | 7,456,412             |                                                                                                                                                                                                                                          |
| Non - current amount                                                    | 8,450,882             | 14,912,820            |                                                                                                                                                                                                                                          |



|                                                  |                    |                   |                                                                                                                                                                                                                       |
|--------------------------------------------------|--------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Loan -3                                          |                    |                   |                                                                                                                                                                                                                       |
| Balance outstanding                              | 12,609,459         | 16,070,334        | 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 |
| Current Maturity                                 | 5,604,203          | 4,944,717         |                                                                                                                                                                                                                       |
| Non - current amount                             | 7,005,256          | 11,125,617        |                                                                                                                                                                                                                       |
| <b>Loans &amp; advances from related parties</b> |                    |                   |                                                                                                                                                                                                                       |
| -Loan From Directors                             |                    |                   | Repayable after two years.<br>Rate of interest is @ 10.50% p.a.                                                                                                                                                       |
| Balance outstanding                              | 116,000,000        | 66,000,000        |                                                                                                                                                                                                                       |
| Current Maturity                                 | -                  | -                 |                                                                                                                                                                                                                       |
| Non - current amount                             | 116,000,000        | 66,000,000        |                                                                                                                                                                                                                       |
| <b>Total</b>                                     | <b>131,456,138</b> | <b>92,038,437</b> |                                                                                                                                                                                                                       |

**5. Deferred tax liabilities (net)**
*(All amounts in Rs., unless otherwise stated)*

| Particulars                                     | As at 31st March 2016 | Charge/ (Credit) during the year | 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 |
|-------------------------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|--------------------------------------------------------------|-----------------------|
| <b>Deferred Tax Assets on account of :</b>      |                       |                                  |                       |                                  |                                                              |                       |
| Expense allowed on payment basis                |                       |                                  |                       |                                  |                                                              |                       |
| -Brought Forward Losses                         | -                     | -                                | -                     | -                                | -                                                            | -                     |
| -Leave Encashment                               | 3,951,476             | 1,024,758                        | 2,926,718             | 935,257                          | -                                                            | 1,991,461             |
| -Bonus Payable                                  | 1,145,686             | 956,559                          | 189,127               | 44,545                           | -                                                            | 144,582               |
| -Gratuity Payable                               | 1,061,891             | 865,693                          | 196,198               | 196,198                          | -                                                            | -                     |
| <b>Total Deferred tax Assets</b>                | <b>6,159,053</b>      | <b>2,847,010</b>                 | <b>3,312,043</b>      | <b>1,176,000</b>                 | <b>-</b>                                                     | <b>2,136,043</b>      |
| <b>Deferred Tax Liabilities on account of :</b> |                       |                                  |                       |                                  |                                                              |                       |
| Difference between Book and tax depreciation    | 116,748,181           | 5,106,858                        | 111,641,322           | 10,285,438                       | (464,349)                                                    | 101,820,233           |
| <b>Total Deferred tax liabilities</b>           | <b>116,748,181</b>    | <b>5,106,858</b>                 | <b>111,641,322</b>    | <b>10,285,438</b>                | <b>(464,349)</b>                                             | <b>101,820,233</b>    |
| <b>Total Deferred Tax (Net)</b>                 | <b>110,589,128</b>    | <b>2,259,848</b>                 | <b>108,329,279</b>    | <b>9,109,438</b>                 | <b>(464,349)</b>                                             | <b>99,684,190</b>     |

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

| Particulars              | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--------------------------|--------------------------|--------------------------|
| Security Deposit         | 50,000                   | 50,000                   |
| Tooling Advance received | 2,100,000                | 80,824,777               |
| <b>Total</b>             | <b>2,150,000</b>         | <b>80,874,777</b>        |

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

| Particulars                                     | As at 31st March<br>2016 | As at 31st March<br>2015 |
|-------------------------------------------------|--------------------------|--------------------------|
| Provision for employee benefits (refer note 41) |                          |                          |
| Gratuity (Funded)                               | 588,835                  | -                        |
| Leave Encashment (unfunded)                     | 10,285,563               | 7,744,498                |
| <b>Total</b>                                    | <b>10,874,398</b>        | <b>7,744,498</b>         |

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

| Particulars                     | As at 31st March 2016 |           | As at 31st March 2015 |           |
|---------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                 | Secured               | Unsecured | Secured               | Unsecured |
| Working capital Loan from banks | 315,233,800           | -         | 300,150,428           | -         |
| <b>Total</b>                    | <b>315,233,800</b>    | <b>-</b>  | <b>300,150,428</b>    | <b>-</b>  |
| <b>Grand Total</b>              | <b>315,233,800</b>    |           | <b>300,150,428</b>    |           |

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

| Particulars                                                                             | As at 31st<br>March 2016 | As at 31st<br>March 2015 | Particulars of security / guarantees /<br>terms of repayment / default                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------|--------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Working Capital Loan from banks</b>                                                  |                          |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| - Loan from State Bank of Travancore with rate of interest from @ 10.65% to 11.15% p.a. | 70,834,468               | 60,031,806               | 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 @ 10.60% to 11.75% p.a.                 | 244,399,332              | 240,118,622              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Total</b>                                                                            | <b>315,233,800</b>       | <b>300,150,428</b>       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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

| Particulars                                         | As at<br>31st March 2016 | As at<br>31st March 2015 |
|-----------------------------------------------------|--------------------------|--------------------------|
| Dues of MSME parties (Refer point no. 1 of note 44) | 23,223,201               | 108,821,090              |
| Dues of other than MSME parties                     | 975,039,211              | 808,590,501              |
| <b>Total</b>                                        | <b>998,262,412</b>       | <b>917,411,591</b>       |

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

| Particulars                              | As at 31st March<br>2016 | As at 31st March<br>2015 |
|------------------------------------------|--------------------------|--------------------------|
| (a) Current maturities of long-term debt | 214,245,610              | 233,843,456              |
| (b) Interest accrued but not due         | 80,701                   | 96,731                   |
| (c) Unpaid dividends                     | 1,714,804                | 1,577,927                |
| (d) Other payables                       |                          |                          |
| - Expense Payable                        | 26,576,991               | 27,684,452               |
| - Creditors for capital items            | 55,685,582               | 24,899,290               |
| - Security Deposit Payable               | -                        | 963,280                  |
| - Accrued salaries & benefits            | 36,659,596               | 25,339,364               |
| - Withholding and other taxes payable    | 7,591,685                | 15,488,473               |
| - Technical fee payable                  | 6,866,884                | 18,504,322               |
| - Others                                 | 5,476,696                | 4,145,549                |
| <b>Total</b>                             | <b>354,898,549</b>       | <b>352,542,844</b>       |

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

| Short Term Provisions                                      | As at 31st March<br>2016 | As at 31st March<br>2015 |
|------------------------------------------------------------|--------------------------|--------------------------|
| <b>(a) Provision for employee benefits (refer note 41)</b> |                          |                          |
| Gratuity (Funded)                                          | 2,622,884                | 604,408                  |
| Leave Encashment (Unfunded)                                | 1,665,789                | 1,276,054                |
| <b>(b) Others</b>                                          |                          |                          |
| Proposed Dividend                                          | 28,260,000               | 28,260,000               |
| Provision for tax on dividend                              | 5,753,058                | 5,753,058                |
| Provision for Wealth Tax Payable                           | -                        | 175,393                  |
| <b>Total</b>                                               | <b>38,301,731</b>        | <b>36,068,913</b>        |


**12. Tangible and Intangible Assets : 2015-16**
*(All amounts in Rs., unless otherwise stated)*

| Particulars                  | Gross Carrying Value         |                   |                  |                     | Depreciation / Impairment     |                              |                                                                |                             |                  | Net Carrying Value            |                               |
|------------------------------|------------------------------|-------------------|------------------|---------------------|-------------------------------|------------------------------|----------------------------------------------------------------|-----------------------------|------------------|-------------------------------|-------------------------------|
|                              | Balance as at 1st April 2015 | Additions         | Disposals        | Other Adjustments** | Balance as at 31st March 2016 | Balance as at 1st April 2015 | Depreciation Adjusted with Opening Balances (refer note 44(f)) | Depreciation for the period | Disposals        | Balance as at 31st March 2016 | Balance as at 31st March 2015 |
| Land Free Hold               | 21,109,132                   | -                 | -                | -                   | 21,109,132                    | -                            | -                                                              | -                           | -                | -                             | 21,109,132                    |
| Land Lease Hold              | 3,941,438                    | -                 | -                | -                   | 3,941,438                     | 1,218,904                    | -                                                              | 340,146                     | -                | 1,559,050                     | 2,722,534                     |
| Buildings (on freehold land) | 169,711,095                  | 2,110,708         | -                | 3,437,693           | 175,259,496                   | 17,667,354                   | -                                                              | 5,452,853                   | -                | 23,120,207                    | 152,043,741                   |
| Buildings (on leased land)   | 466,461,615                  | 1,761,004         | -                | 6,616,065           | 474,838,684                   | 54,343,651                   | -                                                              | 14,177,572                  | -                | 68,521,223                    | 412,117,964                   |
| Plant and Equipment          | 1,390,570,461                | 57,145,254        | 1,291,568        | 17,617,046          | 1,464,041,193                 | 640,962,087                  | -                                                              | 129,356,694                 | 584,455          | 769,734,326                   | 749,608,374                   |
| Furniture and Fixtures       | 14,171,877                   | 1,172,998         | -                | 735,359             | 16,080,234                    | 9,813,681                    | -                                                              | 915,548                     | -                | 10,729,229                    | 4,358,196                     |
| Vehicles                     | 33,120,018                   | 937,945           | 7,862,833        | -                   | 26,195,130                    | 12,580,720                   | -                                                              | 3,048,830                   | 3,448,499        | 12,181,051                    | 20,539,298                    |
| Office equipment             | 6,259,715                    | 1,479,975         | -                | -                   | 7,739,690                     | 3,843,295                    | -                                                              | 894,210                     | -                | 4,737,505                     | 2,416,420                     |
| Computers                    | 19,596,309                   | 2,960,656         | -                | -                   | 22,556,965                    | 14,912,827                   | -                                                              | 2,080,234                   | -                | 16,993,061                    | 4,683,482                     |
| Electrical Fittings          | 96,749,207                   | 3,595,058         | -                | 68,626              | 100,412,891                   | 20,286,426                   | -                                                              | 4,578,662                   | -                | 24,865,088                    | 76,462,781                    |
| <b>Total</b>                 | <b>2,221,690,867</b>         | <b>71,163,598</b> | <b>9,154,401</b> | <b>28,474,789</b>   | <b>2,312,174,853</b>          | <b>775,628,945</b>           | <b>-</b>                                                       | <b>160,844,749</b>          | <b>4,032,954</b> | <b>932,440,740</b>            | <b>1,446,061,922</b>          |
| RESEARCH & DEVELOPMENT       |                              |                   |                  |                     |                               |                              |                                                                |                             |                  |                               |                               |
| Building                     | 2,068,526                    | -                 | -                | -                   | 2,068,526                     | 454,161                      | -                                                              | 64,580                      | -                | 518,741                       | 1,614,365                     |
| Plant and Equipment          | 84,530,604                   | 10,367,318        | -                | 371,357             | 95,269,279                    | 40,169,577                   | -                                                              | 3,438,763                   | -                | 43,608,340                    | 44,361,027                    |
| Furniture and Fixtures       | 3,350,882                    | 152,679           | -                | -                   | 3,503,561                     | 1,556,581                    | -                                                              | 491,613                     | -                | 2,048,194                     | 1,794,301                     |
| Office equipment             | 299,750                      | 2,643,040         | -                | -                   | 2,942,790                     | 139,071                      | -                                                              | 441,157                     | -                | 580,228                       | 160,679                       |
| Computers                    | 8,444,385                    | -                 | -                | -                   | 8,444,385                     | 8,338,774                    | -                                                              | -                           | -                | 8,338,774                     | 105,611                       |
| Electrical Fittings          | 1,267,003                    | 107,000           | -                | -                   | 1,374,003                     | 504,018                      | -                                                              | 64,459                      | -                | 568,477                       | 762,985                       |
| <b>Total</b>                 | <b>99,961,150</b>            | <b>13,270,037</b> | <b>-</b>         | <b>371,357</b>      | <b>113,602,544</b>            | <b>51,162,182</b>            | <b>-</b>                                                       | <b>4,500,572</b>            | <b>-</b>         | <b>55,662,754</b>             | <b>48,798,968</b>             |
| Intangible Assets            |                              |                   |                  |                     |                               |                              |                                                                |                             |                  |                               |                               |
| Software Acquired            | 9,246,640                    | 182,279           | -                | 188,669             | 9,617,588                     | 3,726,079                    | -                                                              | 1,676,823                   | -                | 5,402,902                     | 5,520,561                     |
| <b>Grand Total</b>           | <b>2,330,898,657</b>         | <b>84,615,914</b> | <b>9,154,401</b> | <b>29,034,815</b>   | <b>2,435,394,985</b>          | <b>830,517,206</b>           | <b>-</b>                                                       | <b>167,022,144</b>          | <b>4,032,954</b> | <b>993,506,396</b>            | <b>1,500,381,451</b>          |

\*\*Foreign Exchange capitalised Rs. 28,962,386/- includes Rs. 27,982,922/- incurred during the year and Rs. 979,464/- 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.72,428/- as per Accounting Standard 16 includes Rs. 72,428/- incurred during the year and Rs. Nil/- recognised in Capital work in Progress in the earlier years.


**12. Tangible Assets 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 1st April 2014 | Depreciation Adjusted with Opening Balances (refer note 44(6)) | 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                    |
| Land Lease Hold               | 3,941,438                    | -                  | -                 | -                   | 878,758                      | -                                                              | 340,146                     | -                  | 1,218,904                     | 3,062,680                     |
| Buildings (on freehold land)  | 163,706,188                  | -                  | -                 | 6,004,907           | 12,402,742                   | -                                                              | 5,264,612                   | -                  | 17,667,354                    | 151,303,446                   |
| Buildings (on Leasehold land) | 454,156,703                  | 887,933            | -                 | 11,416,979          | 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          | 530,086,678                  | -                                                              | 127,309,727                 | 16,434,318         | 640,962,087                   | 749,013,599                   |
| Furniture and Fixtures        | 13,544,075                   | 627,802            | -                 | -                   | 9,157,985                    | 80,975                                                         | 574,721                     | -                  | 9,813,681                     | 4,386,090                     |
| Vehicles                      | 31,673,608                   | 4,460,848          | 3,014,438         | -                   | 10,107,865                   | -                                                              | 3,591,272                   | 1,118,417          | 12,580,720                    | 21,565,743                    |
| Office equipment              | 5,401,966                    | 857,749            | -                 | -                   | 2,603,155                    | 458,237                                                        | 781,903                     | -                  | 3,843,295                     | 2,798,811                     |
| Computers                     | 17,306,685                   | 2,289,624          | -                 | -                   | 11,296,985                   | 510,774                                                        | 3,105,068                   | -                  | 14,912,827                    | 6,009,700                     |
| Electrical Fittings           | 89,985,985                   | 6,763,222          | -                 | -                   | 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>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            | -                 | -                   | 400,330                      | -                                                              | 53,831                      | -                  | 454,161                       | 1,241,618                     |
| Plant and Equipment           | 81,584,347                   | 2,673,633          | -                 | 272,624             | 36,962,631                   | -                                                              | 3,206,946                   | -                  | 40,169,577                    | 44,621,716                    |
| Furniture and Fixtures        | 3,350,882                    | -                  | -                 | -                   | 1,052,348                    | -                                                              | 504,233                     | -                  | 1,556,581                     | 2,298,534                     |
| Office equipment              | 299,750                      | -                  | -                 | -                   | 86,999                       | -                                                              | 52,072                      | -                  | 139,071                       | 212,751                       |
| Computers                     | 8,444,385                    | -                  | -                 | -                   | 7,920,481                    | 381,202                                                        | 37,091                      | -                  | 8,338,774                     | 523,904                       |
| Electrical Fittings           | 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>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 : 2014-15   |                              |                    |                   |                     |                              |                                                                |                             |                    |                               |                               |
| Software Acquired             | 8,153,124                    | 759,583            | -                 | 333,933             | 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>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 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.

### 13. Capital Work - in - Progress

(All amounts in Rs., unless otherwise stated)

| Particulars               | As at 31st March<br>2016 | As at 31st March<br>2015 |
|---------------------------|--------------------------|--------------------------|
| Capital Work in Progress  |                          |                          |
| Opening Cost              | 30,958,465               | 39,349,272               |
| Addition during the year* | 11,908,418               | 30,958,465               |
| Deduction & Adjustment    | (30,958,465)             | (39,349,272)             |
| <b>Total</b>              | <b>11,908,418</b>        | <b>30,958,465</b>        |

\*Current year addition includes Rs nil/- (previous year deduction Rs. 979,464) on account of foreign exchange fluctuation & addition of Rs. 508,811/- (previous year Rs. 1,082,321) 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<br>2016 | As at 31st March<br>2015 |
|-------------------------------|--------------------------|--------------------------|
| a) Capital Advances           | 4,523,553                | 100,658,418              |
| b) Security Deposits          | 4,360,238                | 4,760,238                |
| c) Other Loans & Advances     |                          |                          |
| -MAT Tax credit entitlement   | 51,812,193               | 55,404,286               |
| -Prepaid Income tax           | 26,212,373               | 28,639,020               |
| -Less: Provision for taxation | (23,128,907)             | (23,495,256)             |
| -Add: MAT Credit availed      | 3,592,093                | -                        |
|                               | 6,675,559                | 5,143,764                |
|                               | <b>67,371,543</b>        | <b>165,966,706</b>       |

### 15. Current Investments

(All amounts in Rs., unless otherwise stated)

| Particulars                                               | As at 31st March<br>2016 | As at 31st March<br>2015 |
|-----------------------------------------------------------|--------------------------|--------------------------|
| Unquoted, Non-Trade:                                      |                          |                          |
| Investments in Mutual Funds                               | -                        | -                        |
| Sales /(Provision) for diminution in value of investments | -                        | -                        |
| <b>Total</b>                                              | <b>-</b>                 | <b>-</b>                 |

### 16. Inventories

(All amounts in Rs., unless otherwise stated)

| Particulars                  | As at 31st March<br>2016 | As at 31st March<br>2015 |
|------------------------------|--------------------------|--------------------------|
| Raw Materials and components | 87,169,563               | 77,682,095               |
| Raw Material in transit      | 4,366,294                | -                        |
| Work-in-progress             | 7,573,589                | 6,643,855                |
| Finished goods               | 26,323,100               | 15,332,204               |
| Stock-in-trade               | 145,085                  | 498,430                  |
| Stores and spares            | 18,499,424               | 15,576,056               |
| Scrap                        | 50,000                   | 50,000                   |
| <b>Total</b>                 | <b>144,127,055</b>       | <b>115,782,640</b>       |

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

| Particulars                                                                          | As at 31st March 2016 | As at 31st March 2015 |
|--------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | 1,580,682             | 844,614               |
| Others                                                                               | 826,558,580           | 766,706,739           |
| <b>Total</b>                                                                         | <b>828,139,262</b>    | <b>767,551,353</b>    |

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

| Particulars                       | As at 31st March 2016 | As at 31st March 2015 |
|-----------------------------------|-----------------------|-----------------------|
| a.Cash & Cash Equivalents         |                       |                       |
| -Cash in hand                     | 235,299               | 423,975               |
| -Bank Balances in Current Account | 803,683               | 896,334               |
| b. Other Bank Balances:           |                       |                       |
| - Fixed Deposit Account           | 6,614,516             | 6,171,397             |
| - Unclaimed Dividend Accounts     | 1,714,804             | 1,577,927             |
| <b>Total</b>                      | <b>9,368,302</b>      | <b>9,069,633</b>      |

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

| Particulars                                                                | As at 31st March 2016 | As at 31st March 2015 |
|----------------------------------------------------------------------------|-----------------------|-----------------------|
| Balance with Excise & Customs Authorities                                  | 28,897,687            | 25,083,118            |
| Prepaid Expenses                                                           | 1,831,233             | 1,790,355             |
| Prepaid Insurance                                                          | 3,094,692             | 3,723,443             |
| Advances Recoverable in cash or In Kind or for Value to be received-others | 14,306,229            | 26,023,638            |
| <b>Total</b>                                                               | <b>48,129,841</b>     | <b>56,620,554</b>     |

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

| Particulars                                                                                                     | As at 31st March 2016 | As at 31st March 2015 |
|-----------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>(i) Contingent Liabilities</b>                                                                               |                       |                       |
| (a) Claims against the company not acknowledged as debt                                                         |                       |                       |
| -Disputed Excise Matters *                                                                                      | 25,589,407            | 345,668,355           |
| -Disputed Income Tax Demands                                                                                    | -                     | -                     |
| (b) Bank guarantee furnished                                                                                    | 82,744,500            | 93,315,100            |
|                                                                                                                 | <b>108,333,907</b>    | <b>438,983,455</b>    |
| <b>(ii) Commitments</b>                                                                                         |                       |                       |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance) | 37,595,734            | 116,873,490           |
|                                                                                                                 | <b>37,595,734</b>     | <b>116,873,490</b>    |
|                                                                                                                 | <b>145,929,641</b>    | <b>555,856,945</b>    |

\* In view of the legal advise and Appellate Tribunal's Order dated 04.02.2000, Company is of the view that there is no possibility of liability of demand of Excise Duty of Rs. 31,95,78,948/- confirmed by collector of Central Excise Vide Order-in-Original No. 122/93 dated 15.12.93 since it has already been paid, contingent liability is not considered.

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

| Particulars                                                 | As at 31st March 2016 |           | As at 31st March 2015 |           |
|-------------------------------------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                                             | Total                 | Per share | Total                 | Per share |
| Dividends proposed to be distributed to equity shareholders | 28,260,000            | 0.90      | 28,260,000            | 0.90      |

**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<br>31st March 2016 | For the year ended<br>31st March 2015 |
|---------------------------------|---------------------------------------|---------------------------------------|
| <b>Sale of products</b>         |                                       |                                       |
| Car Seats Assemblies            | 6,398,335,623                         | 6,302,548,939                         |
| Carpet Sets for Automobiles     | 223,378,711                           | 249,167,196                           |
| Motorcycle Seats                | 177,992,686                           | 193,704,881                           |
| Other Sales                     | 194,022,849                           | 181,591,264                           |
| Gypsy Hoods                     | 3,558,658                             | 6,286,324                             |
| <b>Total</b>                    | <b>6,997,288,527</b>                  | <b>6,933,298,604</b>                  |
| <b>Other operating revenues</b> |                                       |                                       |
| Scrap Sale                      | 1,070,928                             | 933,843                               |
| <b>Total</b>                    | <b>6,998,359,455</b>                  | <b>6,934,232,447</b>                  |

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

| Particulars                                   | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|-----------------------------------------------|---------------------------------------|---------------------------------------|
| Other non-operating income (net of expenses ) | 21,987,873                            | 16,604,081                            |
| Profit on sale of investment                  | -                                     | 19,131                                |
| <b>Total</b>                                  | <b>21,987,873</b>                     | <b>16,623,212</b>                     |

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

| <b>Particulars</b>                                | <b>For the year ended 31st March 2016</b> | <b>For the year ended 31st March 2015</b> |
|---------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Opening Stock                                     | 77,682,095                                | 73,753,632                                |
| Add: purchases                                    | 6,087,896,706                             | 6,032,861,826                             |
|                                                   | 6,165,578,801                             | 6,106,615,458                             |
| Less: Closing Stock                               | 87,169,563                                | 77,682,095                                |
| Raw material & Component consumed (refer note 39) | <b>6,078,409,238</b>                      | <b>6,028,933,363</b>                      |

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

| <b>Particulars</b> | <b>For the year ended 31st March 2016</b> | <b>For the year ended 31st March 2015</b> |
|--------------------|-------------------------------------------|-------------------------------------------|
| Gypsy Hoods        | 3,124,011                                 | 6,598,767                                 |
| <b>Total</b>       | <b>3,124,011</b>                          | <b>6,598,767</b>                          |

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

| <b>Particulars</b>                          | <b>For the year ended 31st March 2016</b> | <b>For the year ended 31st March 2015</b> |
|---------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Opening 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>Closing stock:</b>                       |                                           |                                           |
| Finished goods                              | 26,323,100                                | 15,332,204                                |
| Less: Excise duty                           | 3,050,745                                 | 1,665,072                                 |
|                                             | 23,272,355                                | 13,667,132                                |
| Work-in-progress                            | 7,573,589                                 | 6,643,855                                 |
| Stock in trade                              | 145,085                                   | 498,430                                   |
| Scrap                                       | 50,000                                    | 50,000                                    |
|                                             | <b>31,041,029</b>                         | <b>20,859,417</b>                         |
| <b>Total (Increase) / Decrease in stock</b> | <b>(10,181,612)</b>                       | <b>(3,081,451)</b>                        |

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

| Particulars                                         | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|-----------------------------------------------------|---------------------------------------|---------------------------------------|
| (a) Salaries and incentives                         | 157,727,092                           | 124,525,089                           |
| (b) Contributions to - Provident fund & other funds | 9,486,909                             | 7,051,583                             |
| (c) Gratuity fund contributions - Refer note No. 41 | 3,211,719                             | 4,072,818                             |
| (d) Staff welfare expenses                          | 13,109,459                            | 12,177,415                            |
| <b>Total</b>                                        | <b>183,535,179</b>                    | <b>147,826,905</b>                    |

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

| Particulars                                 | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|---------------------------------------------|---------------------------------------|---------------------------------------|
| Interest expense:                           |                                       |                                       |
| -Other Interest                             | 52,305,218                            | 60,236,215                            |
| -Interest under income Tax of earlier years | -                                     | 221,836                               |
| Other borrowing costs                       | 1,491,415                             | 1,633,664                             |
| <b>Total</b>                                | <b>53,796,633</b>                     | <b>62,091,715</b>                     |

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

| Particulars  | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|--------------|---------------------------------------|---------------------------------------|
| Depreciation | 167,022,144                           | 164,224,573                           |
| <b>Total</b> | <b>167,022,144</b>                    | <b>164,224,573</b>                    |

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

| Particulars                            | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|----------------------------------------|---------------------------------------|---------------------------------------|
| Power & Fuel                           | 121,906,204                           | 135,080,728                           |
| Rent                                   | 1,836,989                             | 1,772,002                             |
| Repairs to building                    | 10,612,097                            | 6,121,954                             |
| Repairs to plant and machinery         | 23,972,510                            | 24,050,999                            |
| Repairs to Others                      | 1,239,974                             | 949,623                               |
| Insurance                              | 3,806,172                             | 3,790,950                             |
| Rates and taxes (Including wealth tax) | 33,018                                | 232,761                               |



| Particulars                                                               | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|---------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Research and development expenses                                         | 19,037,603                            | 12,907,721                            |
| Consumption of stores & spare parts                                       | 9,457,679                             | 8,771,935                             |
| Payment to auditors for statutory audit                                   | 567,000                               | 540,000                               |
| Payment to auditors for taxation matters                                  | 105,000                               | 100,000                               |
| Payment to auditors for certification & other matters                     | 438,250                               | 417,850                               |
| Payment to auditor for reimbursement of expenses                          | 95,588                                | 23,380                                |
| Loss on Sale/Discard of fixed assets                                      | 2,648,096                             | 1,373,707                             |
| Applicable net gain/loss on foreign currency transactions and translation | 706,831                               | (3,321,099)                           |
| Donations (refer point no. 7 of note 44 )                                 | 550,000                               | 921,000                               |
| Factory Expenses                                                          | 123,199,550                           | 114,235,283                           |
| Discount on Sales                                                         | 496,656                               | 240,905                               |
| Legal & Professional Expenses                                             | 13,451,809                            | 14,513,248                            |
| Technical know how Fees & Royalty                                         | 16,078,017                            | 18,357,502                            |
| Foreign Technician Expenses                                               | 1,226,610                             | 645,402                               |
| Travelling and Conveyance                                                 | 38,602,606                            | 32,922,785                            |
| Miscellaneous expenses                                                    | 58,752,409                            | 55,808,858                            |
| <b>Total</b>                                                              | <b>448,820,668</b>                    | <b>430,457,494</b>                    |

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

| Particulars            | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|------------------------|---------------------------------------|---------------------------------------|
| Current Tax            | 23,128,907                            | 23,674,318                            |
| MAT Credit Entitlement | -                                     | (179,062)                             |
| <b>Total</b>           | <b>23,128,907</b>                     | <b>23,495,256</b>                     |

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

| Particulars  | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|--------------|---------------------------------------|---------------------------------------|
| Deferred Tax | 2,259,848                             | 9,109,438                             |
| <b>Total</b> | <b>2,259,848</b>                      | <b>9,109,438</b>                      |

### 34. Earnings Per Equity Shares

(All amounts in Rs., unless otherwise stated)

| Particulars                                          | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|------------------------------------------------------|---------------------------------------|---------------------------------------|
| Weighted Average number of Equity Shares outstanding | 31,400,000                            | 31,400,000                            |
| Profit after tax as per Profit & Loss A/c            | 70,432,312                            | 81,199,599                            |
| Basic & Diluted Earning per share                    | 2.24                                  | 2.59                                  |
| 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<br>31st March 2016 | For the year ended<br>31st March 2015 |
|-----------------------------|---------------------------------------|---------------------------------------|
| Transfer to general reserve | -                                     | 47,186,541                            |
| Total                       | -                                     | 47,186,541                            |

### 36. Transfer to / from provisions

(All amounts in Rs., unless otherwise stated)

| Particulars                        | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Proposed dividend on equity shares | 28,260,000                            | 28,260,000                            |
| Corporate tax on dividend          | 5,753,058                             | 5,753,058                             |
| Total                              | 34,013,058                            | 34,013,058                            |

### 37. Value Of Imports On CIF Basis

(All amounts in Rs., unless otherwise stated)

| Particulars   | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|---------------|---------------------------------------|---------------------------------------|
| Raw materials | 62,839,736                            | 82,745,282                            |
| Capital goods | 13,408,869                            | 39,280,990                            |
| Total         | 76,248,605                            | 122,026,272                           |

### 38. Expenditure In Foreign Currency

(All amounts in Rs., unless otherwise stated)

| Particulars                       | For the year ended<br>31st March 2016 | For the year ended<br>31st March 2015 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Technical Know-how fees & royalty | 15,411,679                            | 13,956,836                            |
| Travelling expenses               | 18,866,837                            | 14,197,584                            |
| Training Fees                     | 1,169,852                             | 727,145                               |
| Others                            | 18,015,136                            | -                                     |
| Total                             | 53,463,504                            | 28,881,565                            |

**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 2016 |                      | For the year ended 31st March 2015 |                      |
|-------------------------|------|------------------------------------|----------------------|------------------------------------|----------------------|
|                         |      | Quantity                           | Value                | Quantity                           | Value                |
| Trims                   | Nos. | 6,149,353                          | 1,545,826,089        | 5,763,245                          | 1,305,395,979        |
| PU Raw Materials        | Kgs  | 6,120,157                          | 939,471,057          | 5,412,913                          | 986,488,683          |
| Reclining Assembly      | Nos. | 5,652,765                          | 1,456,548,552        | 5,273,815                          | 1,627,716,322        |
| Seat Structure (Frames) | Nos. | 6,747,936                          | 1,015,493,128        | 6,053,638                          | 1,038,847,002        |
| Others                  |      |                                    | 1,121,070,412        |                                    | 1,070,485,377        |
| <b>Total</b>            |      |                                    | <b>6,078,409,238</b> |                                    | <b>6,028,933,363</b> |

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

| Particulars    | For the year ended 31st March 2016 | For the year ended 31st March 2015 |
|----------------|------------------------------------|------------------------------------|
| Imported       | 68,526,237                         | 101,457,790                        |
| % thereof      | 1                                  | 2                                  |
| Indigenous     | 6,009,883,001                      | 5,927,475,573                      |
| % thereof      | 99                                 | 98                                 |
| <b>Total</b>   | <b>6,078,409,238</b>               | <b>6,028,933,363</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 2016 |               | For the year ended 31st March 2015 |               |
|-----------------------------------|---------------|------------------------------------|---------------|------------------------------------|---------------|
|                                   |               | Quantity                           | Value         | Quantity                           | Value         |
| In respect of manufactured items: |               |                                    |               |                                    |               |
| Car Seats Assemblies              | Opening Stock | 873                                | 9,467,803     | 952                                | 9,095,592     |
|                                   | Production    | 573,840                            | 6,408,458,214 | 547,448                            | 6,302,921,150 |
|                                   | Closing Stock | 1,548                              | 19,590,394    | 873                                | 9,467,803     |
|                                   | Sale & Others | 573,165                            | 6,398,335,623 | 547,527                            | 6,302,548,939 |
| Carpet Sets for Automobiles       | Opening Stock | 2,707                              | 1,639,936     | 2,059                              | 1,090,878     |
|                                   | Production    | 380,165                            | 223,042,355   | 406,179                            | 249,716,254   |
|                                   | Closing Stock | 2,285                              | 1,303,580     | 2,707                              | 1,639,936     |
|                                   | Sale & Others | 380,587                            | 223,378,711   | 405,531                            | 249,167,196   |



| Particulars                    |                       | For the year ended 31st March 2016 |             | For the year ended 31st March 2015 |             |
|--------------------------------|-----------------------|------------------------------------|-------------|------------------------------------|-------------|
|                                |                       | Quantity                           | Value       | Quantity                           | Value       |
| Motorcycle Seats               | Opening Stock         | 1,410                              | 662,958     | 1,377                              | 758,715     |
|                                | Production            | 379,610                            | 178,030,252 | 383,845                            | 193,609,124 |
|                                | Closing Stock         | 1,597                              | 700,524     | 1,410                              | 662,958     |
|                                | Sale & Others         | 379,423                            | 177,992,686 | 383,812                            | 193,704,881 |
| Others Sales & Traded Goods    | Opening Stock         | -                                  | 1,896,990   | -                                  | 1,734,563   |
|                                | Production            | -                                  | 193,803,716 | -                                  | 181,753,691 |
|                                | Closing Stock         | -                                  | 1,677,857   | -                                  | 1,896,990   |
|                                | Sale & Others         | -                                  | 194,022,849 | -                                  | 181,591,264 |
| In respect of goods traded in: |                       |                                    |             |                                    |             |
| Gypsy Hoods                    | Opening Stock         | 213                                | 498,430     | 9                                  | 21,060      |
|                                | Production (Purchase) | 1,335                              | 3,205,313   | 2829                               | 6,763,694   |
|                                | Closing Stock         | 62                                 | 145,085     | 213                                | 498,430     |
|                                | Sale & Others         | 1,486                              | 3,558,658   | 2,625                              | 6,286,324   |

#### 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 2016      |                                           |                                                          |                             |                           |
| Suzuki Motor Corporation. Japan | 1                                         | 4,650,000                                                | 4,185,000                   | 2014-15 - Final           |
| Period ended 31 March 2015      |                                           |                                                          |                             |                           |
| Suzuki Motor Corporation. Japan | 1                                         | 4,650,000                                                | 3,720,000                   | 2013-14 - 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, 2016).

Net employee benefit expense (recognized in the Statement of Profit & Loss for the year ended March 31, 2016)

(Amount in Rs.)

| Particulars                                    | Leave Encashment<br>(Unfunded) |                     | Gratuity<br>(Funded) |                     |
|------------------------------------------------|--------------------------------|---------------------|----------------------|---------------------|
|                                                | As at<br>31.03.2016            | As at<br>31.03.2015 | As at<br>31.03.2016  | As at<br>31.03.2015 |
| Current Service Cost                           | 3,152,487                      | 2,203,983           | 2,411,952            | 1,737,229           |
| Interest Cost on benefit obligation            | 703,603                        | 546,278             | 1,418,655            | 1,378,362           |
| (Expected return on plan assets)               | -                              | -                   | (1,529,758)          | (1,461,650)         |
| Past Service Cost                              | -                              | -                   | -                    | -                   |
| Actuarial (gain) / loss recognized in the year | 258,793                        | 1,219,285           | 810,343              | 485,512             |
| <b>Net benefit expense</b>                     | <b>4,114,883</b>               | <b>3,969,546</b>    | <b>3,111,192</b>     | <b>2,139,453</b>    |
| Actual return on Plan Assets                   | -                              | -                   | -                    | -                   |

Net Asset / (Liability) recognized in the Balance Sheet as on March 31, 2016

(Amount in Rs.)

| Particulars                                                    | Leave Encashment    |                    | Gratuity            |                     |
|----------------------------------------------------------------|---------------------|--------------------|---------------------|---------------------|
|                                                                | As at<br>31.3.2016  | As at<br>31.3.2015 | As at<br>31.03.2016 | As at<br>31.03.2015 |
| Present Value of Defined Benefit Obligation                    | 11,951,352          | 9,020,552          | 2,06,95,452         | 18,187,880          |
| Fair Value of Plan Assets                                      | -                   | -                  | 1,74,83,733         | 17,583,472          |
| <b>Net Asset / (Liability) recognized in the Balance Sheet</b> | <b>(11,951,352)</b> | <b>(9,020,552)</b> | <b>(32,11,719)</b>  | <b>(604,408)</b>    |

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

(Amount in Rs.)

| Particulars                               | Leave Encashment    |                     | Gratuity            |                     |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                           | As at<br>31.03.2016 | As at<br>31.03.2015 | As at<br>31.03.2016 | As at<br>31.03.2015 |
| Opening defined benefit obligation        | 9,020,552           | 6,137,960           | 1,81,87,880         | 15,487,217          |
| Interest Cost                             | 703,603             | 546,278             | 14,18,655           | 1,378,362           |
| Current Service Cost                      | 3,152,487           | 2,203,983           | 24,11,952           | 1,737,229           |
| Benefits Paid                             | (1,184,083)         | (1,086,954)         | (21,37,408)         | (749,964)           |
| Actuarial (gain) / loss on obligation     | 258,793             | 1,219,285           | 8,14,373            | 335,036             |
| <b>Closing defined benefit obligation</b> | <b>11,951,352</b>   | <b>9,020,552</b>    | <b>2,06,95,452</b>  | <b>18,187,880</b>   |

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

(Amount in Rs.)

| Particulars                                                                                        | Gratuity            |                     |
|----------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                    | As at<br>31.03.2016 | As at<br>31.03.2015 |
| Opening fair value of Plan Assets                                                                  | 17,583,472          | 18,173,922          |
| Addition(Reduction) due to difference identified in the plan assets at the beginning of the period | (100,527)           | (1,933,365)         |
| <b>Correct fair value of plan assets at the beginning of the period</b>                            | <b>17,482,945</b>   | <b>16,240,557</b>   |
| Expected return on Plan Assets                                                                     | 1,529,758           | 1,461,650           |
| Contribution by employer                                                                           | 604,408             | 781,705             |
| Benefits paid                                                                                      | (2,137,408)         | (749,964)           |
| Actuarial Gain / (Loss) on Plan Assets                                                             | 4,030               | (150,476)           |
| <b>Closing fair value of Plan Assets</b>                                                           | <b>1,74,83,733</b>  | <b>17,583,472</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 |         |
|------------------------------------------------------------------|------------------|---------|----------|---------|
|                                                                  | 2015-16          | 2014-15 | 2015-16  | 2014-15 |
| Discount Rate                                                    | 7.70%            | 7.80%   | 7.70%    | 7.80%   |
| Rate of increase in Compensation                                 | 6.00%            | 6.00%   | 6.00%    | 6.00%   |
| Rate of Return on Plan Assets                                    | -                | -       | 9.00%    | 8.75%   |
| Average Outstanding Service of Employees upto Retirement (years) | 26.04            | 22.04   | 26.29    | 22.09   |

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   |            |
|-----------------------|------------------|-----------|------------|------------|
|                       | 2015-16          | 2014-15   | 2015-16    | 2014-15    |
| Current Liability     | 1,665,789        | 1,276,054 | 2,622,884  | 997,400    |
| Non-Current Liability | 10,285,563       | 7,744,498 | 18,072,568 | 17,190,480 |

#### Contribution to Defined Contribution Plans:

(Amount in Rs.)

| Particulars                           | 2015-16   | 2014-15   | 2013-14   | 2012-13   | 2011-12   |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Provident Fund/ other employee's Fund | 9,486,909 | 7,051,583 | 5,560,092 | 5,397,514 | 4,537,403 |



## 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. Ayush Relan – Assistant Chief Operating Officer  
Mr. Sanjeev Kumar - Chief Financial Officer  
Ms. Ritu Bakshi-Company Secretary  
Mr. T. J. Chacko – Whole Time Director  
Relatives :  
Mrs. Sharda Relan -Wife of Mr. N.D. Relan  
Mrs. Ritu Relan -Wife of Mr. Rohit Relan  
Mr. Pranav 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 significant influence Rohit Relan (HUF)  
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 Pvt. Ltd.

**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.<br>(Including Excise & Cess)                          | 7,593,771,522<br>(7,459,026,558)                                 | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Others (Including all taxes)                                                   | Nil<br>(Nil)                                                     | Nil<br>(Nil)               | Nil<br>(Nil)                        | 4,777,144<br>(Nil)                                                                                  |
| Purchases of Material from:<br>(Including all taxes)                           |                                                                  |                            |                                     |                                                                                                     |
| Sharda Motor Industries Ltd                                                    | 3,043,108,080<br>(2,760,927,444)                                 | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Others                                                                         | Nil<br>(Nil)                                                     | Nil<br>(Nil)               | Nil<br>(Nil)                        | 11,267,070<br>(Nil)                                                                                 |
| Purchase of Tooling from Sharda Motor Industries Ltd.<br>(Including all taxes) | 159,808,418<br>(105,284,310)                                     | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Sale of Tooling/ Job Charges to:<br>(Including all taxes)                      |                                                                  |                            |                                     |                                                                                                     |
| Maruti Suzuki India Ltd.                                                       | 239,592,414<br>(224,549,661)                                     | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Others:                                                                        | Nil<br>(Nil)                                                     | Nil<br>(Nil)               | Nil<br>(Nil)                        | 4,969,075<br>(Nil)                                                                                  |
| Lease rent received<br>(including taxes)                                       | Nil<br>(Nil)                                                     | Nil<br>(Nil)               | Nil<br>(Nil)                        | 1,941,854<br>(Nil)                                                                                  |
| Dividend paid:-                                                                |                                                                  |                            |                                     |                                                                                                     |
| Maruti Suzuki India Ltd.                                                       | 4,185,000<br>(3,720,000)                                         |                            |                                     |                                                                                                     |
| Suzuki Motor Corporation, Japan,                                               | 4,185,000<br>(3,720,000)                                         |                            |                                     |                                                                                                     |
| Sharda Motor Industries Ltd.                                                   | 8,100,000<br>(7,200,000)                                         |                            |                                     |                                                                                                     |
| Others                                                                         |                                                                  | 1,901,655<br>(1,682,000)   | 2,944,357<br>(2,326,006)            | 29,700<br>(26,400)                                                                                  |
| Remuneration                                                                   | Nil<br>(Nil)                                                     | 20,102,059<br>(15,143,315) | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Sitting Fees                                                                   | 280,000<br>(280,000)                                             | 520,000<br>(600,000)       | 120,000<br>(80,000)                 | (Nil)<br>(Nil)                                                                                      |
| Rent Paid                                                                      | 1,836,989<br>(1,772,002)                                         | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Other Expenses                                                                 | 73,620,020<br>(90,741,835)                                       | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(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 |
|------------------------------------------------------------------|------------------------------------------------------------------|----------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------|
| Discount on sales to Maruti Suzuki India Ltd.                    | 496,656<br>(240,905)                                             | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Loan from Directors                                              | Nil<br>(Nil)                                                     | Nil<br>(Nil)               | 50,000,000<br>(Nil)                 | Nil<br>(Nil)                                                                                        |
| Interest Paid                                                    | Nil<br>(Nil)                                                     | 5,012,447<br>(5,115,003)   | 3,655,417<br>(2,144,998)            | Nil<br>(Nil)                                                                                        |
| Performance Bank Guarantees in favor of Maruti Suzuki India Ltd. | 74,700,500<br>(90,515,000)                                       | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Mobilisation/Tooling Advance received during the year            | 2,100,000<br>(80,824,777)                                        | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Mobilisation/Tooling Advance Paid during the year                | Nil<br>(85,300,000)                                              | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Unsecured Loan as on 31.03.2016                                  | Nil<br>(Nil)                                                     | 46,500,000<br>(46,500,000) | 69,500,000<br>(19,500,000)          | Nil<br>(Nil)                                                                                        |
| Net Outstanding receivable as on 31.03.2016                      | 783,909,302<br>(738,452,811)                                     | Nil<br>(Nil)               | Nil<br>(Nil)                        | Nil<br>(Nil)                                                                                        |
| Net Outstanding payable as on 31.03.2016                         | 383,453,648<br>(204,317,942)                                     | Nil<br>(Nil)               | Nil<br>(Nil)                        | 1,582,172<br>(Nil)                                                                                  |

Note: Previous year figures has been shown in parenthesis.

**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.

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

(Amount in Rs.)

|   | Particulars                                                                                                                                                                                                                                           | 2015-16    | 2014-15     |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|
| A | Principal amount remaining unpaid as on 31st March, 2016                                                                                                                                                                                              | 23,223,201 | 108,821,090 |
| B | Interest due thereon as on 31st March, 2016                                                                                                                                                                                                           | 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, 2016                                                                                                                                                                                          | 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. 31 includes:

(Amount in Rs.)

| Particulars                  | 2015-16           | 2014-15           |
|------------------------------|-------------------|-------------------|
| Salary/Wages                 | 13,667,209        | 9,408,690         |
| Development & other expenses | 5,370,394         | 3,499,031         |
| <b>Total</b>                 | <b>19,037,603</b> | <b>12,907,721</b> |

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

|                                      |                                                                          |
|--------------------------------------|--------------------------------------------------------------------------|
| Foreign Currency Term Loan           | NIL<br>[P.Y. – NIL]                                                      |
| Foreign Currency ECB                 | Rs. 29,511,227 (JPY 49,968,214)<br>[P.Y.Rs. 46,069,341 (JPY 88,407,872)] |
| Creditors                            | Rs. 49,471 (Euro 653)<br>[P.Y Rs. 1,931,436 (Euro 28,609.47)]            |
|                                      | Rs. 9,666,589 (JPY 16,367,404 )<br>[P.Y. Rs 3,182,439 (JPY 5,659,359)]   |
|                                      | Rs.1,031,891 (USD 15,556.24 )<br>[P.Y. Rs Nil ]                          |
| Advances recoverable in cash or kind | Rs. Nil<br>[P.Y. Rs. 60,606 (USD 984)]                                   |
|                                      | Rs. 2,041,951 (Euro 26,956)<br>(P.Y. Rs. 15,664,268 (Euro 225,698.22))   |
|                                      | Rs. Nil<br>[(P.Y. Rs. 12,161 ( JPY 23,200)]                              |
| Technical Fees Payable               | Rs. 4,852,890 (JPY 8,216,882)<br>(P.Y. Rs. 6,568,716 ( JPY 12,395,423))  |
|                                      | Rs. 2,013,993 (USD 30,361.91)<br>(P.Y. Rs. 11,935,606 (USD 190,560))     |

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

|                            |                                                                               |
|----------------------------|-------------------------------------------------------------------------------|
| Foreign Currency Term Loan | Rs. 290,065,565 (USD 4,734,404)<br>[(P.Y. Rs. 502,110,025 (USD 8,245,878.92)] |
|----------------------------|-------------------------------------------------------------------------------|

4. Remuneration to Managing/ whole-time Director

(Amount in Rs.)

| S. No. | Particulars                    | 2015-16           | 2014-15           |
|--------|--------------------------------|-------------------|-------------------|
| i)     | Salaries                       | 10,212,000        | 8,412,200         |
| ii)    | Perquisites & Allowances       | 2,569,012         | 509,250           |
| iii)   | Contribution to Provident Fund | 1,364,323         | 1,089,344         |
|        | <b>Total</b>                   | <b>14,145,335</b> | <b>10,010,794</b> |

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



## BHARAT SEATS LIMITED

5. Borrowing cost capitalized during the year Rs. 581,239/- (Previous Year Rs. 5,402,179) includes Rs. 72,428/- towards fixed assets (Previous Year Rs. 4,319,858) & Rs. 508,811/- towards capital work in progress (Previous year Rs. 1,082,321 -/-).
6. 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 previous year ended 31st March 2015 is lower by Rs. 400,649 and for the assets whose revised useful lives have expired on or before 31st March, 2014, the net book value of Rs. 966,839 (net of deferred tax of Rs. 464,349) has been deducted from the retained earnings.
7. During the current year pursuant to section 135 of the Companies act, 2013 corporate social responsibility expenses of Rs. 550,000/- (Previous year Rs. 921,000) has been incurred by the company which have been disclosed in other expenses under note no. 31.
8. 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.
9. 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 S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm's Registration No. 000756N

For and on behalf of the Board of Directors

N. D. RELAN  
Chairman & Director

ROHIT RELAN  
Managing Director

Neeraj Bansal  
Partner

Membership No. 095960

RITU BAKSHI  
Company Secretary

SANJEEV KUMAR  
Chief Financial Officer

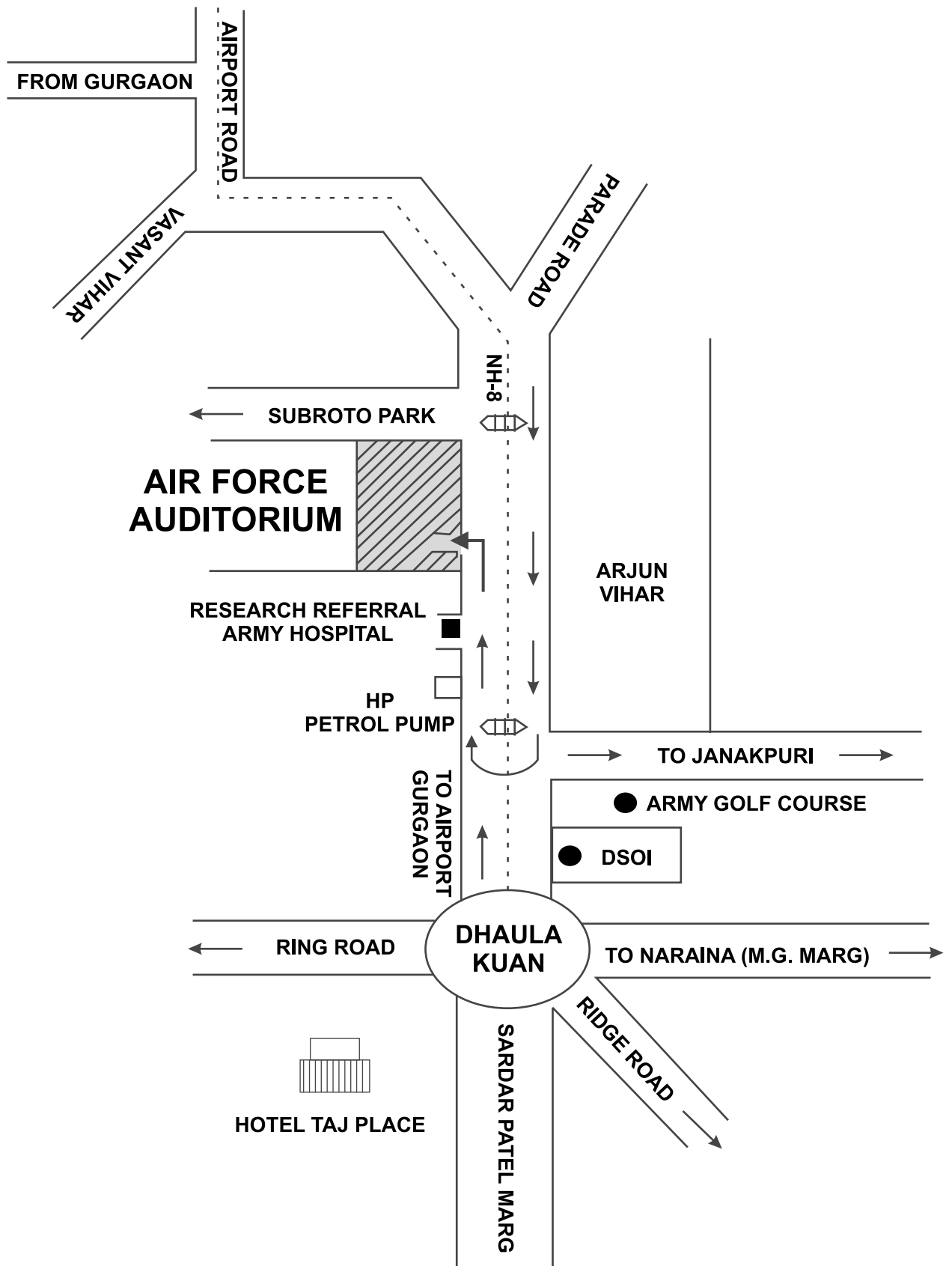
RAJAT BHANDARI  
Sr. V.P.(Strategic Planning)

Place : New Delhi

Dated : 15th April, 2016

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## ROUTE MAP FOR ANNUAL GENERAL MEETING



**VENUE: AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI 110010**



If undelivered please return to :

**BHARAT SEATS LIMITED**

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

Tel. 9873000211