



30TH ANNUAL REPORT 2016-2017

 **BHARAT SEATS LIMITED**



BHARAT SEATS LIMITED

BOARD OF DIRECTORS

1. MR. NARINDER DEV RELAN
2. MR. ROHIT RELAN
3. MR. TOSHIYA MIKI
4. MR. VENKAT RAMAN CHALLA
5. MRS. SHARDA RELAN
6. MR. AJAY RELAN
7. MR. GIRISH NARAIN MEHRA
8. MR. PRATEEP KUMAR LAHIRI
9. MR. RAVINDRA GUPTA
10. MRS. SHYAMLAKHERA
11. MR. KISHAN N.PARIKH
12. MR. ARVIND VARMA
13. MR. T.J. CHACKO

CHAIRMAN (DIN: 00240280) (Ceased w.e.f. 2nd June, 2016)
CHAIRMAN CUM MANAGING DIRECTOR (DIN: 00257572)
(Chairman w.e.f. 20th July, 2016)
DIRECTOR-NOMINEE-SUZUKI MOTOR CORPORATION, JAPAN (DIN: 07505339)
DIRECTOR-NOMINEE-MARUTI SUZUKI INDIA LIMITED (DIN: 07093663)
DIRECTOR (DIN: 00252181)
DIRECTOR (DIN: 00257584)
DIRECTOR (DIN: 00059311)
DIRECTOR (DIN: 00039653)
DIRECTOR (DIN: 01521168)
DIRECTOR (DIN: 06929439)
DIRECTOR (DIN: 00453209)
DIRECTOR (DIN: 02225281)
DIRECTOR(OPERATIONS) (DIN: 07005026)

CORPORATE IDENTITY NUMBER

CIN: L34300DL1986PLC023540

BANKERS

HDFC BANK LTD.
STATE BANK OF INDIA
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. MUSTTIL 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)
PLANT 4
PLOT NO. 677 SECTOR 37 PACE CITY II, GURGAON(HARYANA)

AUDITORS

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

LISTED AT

BSE LIMITED

CHIEF FINANCIAL OFFICER

SANJEEV KUMAR

COMPANY SECRETARY & COMPLIANCE OFFICER

RITU BAKSHI

REGISTRAR & SHARE TRANSFER AGENT

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

E-MAIL & WEBSITE

Investor_relations@bharatseats.net, www.bharatseats.com

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BHARAT SEATS LIMITED

(CIN: L34300DL1986PLC023540)

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

E-mail: Investor_relations@bharatseats.net, Website: www.bharatseats.com

Phone: 011-26815592, Fax: 0124-2341188

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Thursday, 21st September, 2017 at 11 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, 2017 including the Audited Balance Sheet as at March 31, 2017, 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. Ajay Relan (DIN:00257584) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Venkat Raman Challa (DIN: 07093663) 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 pursuant to Section 139 and other applicable provisions of the Companies Act, 2013, M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Regn. No. 301003E/ E300005) having offered themselves for appointment, be and are hereby appointed as the auditors of the Company to hold office from the conclusion of the 30th annual general meeting upto the conclusion of the 35th annual general meeting of the Company at a remuneration to be fixed by the board and reimbursement of out of pocket expenses incurred in connection with the audit.”

SPECIAL BUSINESS:

6. **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, Mrs Sharda Relan (DIN: 00252181), who was appointed as an Additional Director of the Company with effect from 20th July,

2016 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 Mrs Sharda Relan as Director , be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

7. **To consider, and if thought fit, to pass with or without modification(s), the following 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. Toshiya Miki (DIN: 07505339), who was appointed as an Additional Director of the Company with effect from 20th January, 2017 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. Toshiya Miki as Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

8. **Re-appointment of Mr. T.J. Chacko as a Wholetime Director as Director (Operations)**

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 and Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) , consent be and is hereby accorded for re appointment of Mr. T. J. Chacko (DIN: 07005026) as a Wholetime Director designated as Director (Operations) for a period of two years on the following terms and conditions and for the

payment of the following remuneration with effect from 1st December, 2017 to 30th November, 2019 i.e. for a period of two years:

DETAILS OF REMUNERATION, INCLUDING PERQUISITES :

SALARY:

A. BASIC SALARY : Rs. 1,80,000/- per month, with a provision of annual increment of Rs.22,500/- per month, in the scale of Rs. 1,80,000 – Rs. 22,500 - Rs.2,02,500/- per month with authority to the Board (which expression shall include a Committee thereof) to revise his salary based on merit and Company's performance.

B. PERFORMANCE LINKED BONUS:

With a maximum of 50% of annual Basic salary with authority to the Board (which expression shall include a Committee thereof) to fix the same based on certain performance criterion laid down by the Board.

C. ALLOWANCES & PERQUISITES :

1. HOUSE RENT ALLOWANCE: Upto a maximum of 50% of Basic Salary.
2. PERSONAL ALLOWANCE: Upto a maximum of 30% of Basic Salary.
3. LEAVE TRAVEL ALLOWANCE : Upto a maximum of one month's Basic Salary as per Company's Rules.

D. OTHER ENTITLEMENTS/ REIMBURSEMENTS:

1. Books & Periodicals, Telephone/ Internet expenses upto a maximum of Rs.13,000/- per month.
2. Entertainment expenses upto a maximum of Rs.10,000/- per month.
3. Medical Reimbursement: Upto a maximum of Rs.1,250/- per month.
4. Provision of Company Car for official use only.
5. Reimbursement of Chauffeur's salary and Petrol expenses upto a maximum of Rs.35,000/- per month.
6. Company's contribution to Provident Fund
7. Earned Leave Encashment as per the rules of the Company.
8. Others: Other Perquisites and Allowances in accordance with the Rules of the Company.

E. OTHER TERMS AND CONDITIONS

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

FURTHER RESOLVED THAT the appointment may be terminated by either party by giving, in writing, to other party, three calendar months notice or lesser notice as may be agreed mutually.

"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 to 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."

"Further resolved that Sh. Rohit Relan, Chairman cum Managing 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, for re-appointment of Mr. T. J. Chacko, Wholtime Director and payment of remuneration to him."

9. To approve the increase in remuneration of Mr. Rishabh Relan, Chief Operating Officer of the Company, being a related party

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

Resolved that pursuant to Regulation 23 of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, read with provisions of section 188(1)(f) of the Companies Act, 2013 and Companies (Meetings of Board and its Powers)Rules, 2014, including any statutory modifications or re-enactment thereof , consent of the members of the Company be and is hereby accorded for increasing the remuneration of Mr. Rishabh Relan, Chief Operating Officer of the Company w.e.f 01.09.2017, being a related party, on the following terms and conditions:

- BASIC SALARY: Rs.1,80,000/- per month, with a provision of annual increment of Rs.22,500/- per month.
- ALLOWANCES AND PERQUISITES : Rs.66,000/- per month, with a provision of annual increment of Rs.20,000/- per month.
- VARIABLE PAY: Upto a maximum of 15% of Gross Salary.
- Other entitlements, in addition to above:
 - o Medical for self and family: actual for self and family upto a maximum of Rs.1250 p.m.
 - o Provision of Company Car with Chauffeur for official use only
 - o Leave travel allowance: for self and family as per Company Rules.
 - o Earned/ privilege leave: leave accumulated, but not availed – as per Company Rules.
 - o Contribution to Provident fund, Pension Fund: as per Company Rules.
 - o Gratuity : as per payment of Gratuity Act, 1972 including any amendment or re-enactment thereof.

He will also be entitled for such other perquisites and allowances in accordance with the rules of the company or as may be agreed by the Board from time to time, including restructuring the remuneration package in accordance with the provisions of section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

Resolved further that the Board of Directors be and are hereby authorized to do all such acts and things as may be expedient to give effect to this resolution.

By Order Of The Board

Date : 18th July, 2017

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 Friday, 15th September, 2017 to Thursday, 21st September, 2017, both days inclusive, for determining the entitlement of the shareholders to the Dividend for 2016-17, if declared.
4. The Dividend on Equity Shares, if declared at the meeting, will be credited/ dispatched between 21st September, 2017 and 20th October, 2017 to those shareholders whose names appear in the Register of Members on 14th September, 2017. 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 2008-2009, 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, 2010 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, 2010 is due for transfer to IEPF on 12th August, 2017. 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 and on the website of the Company (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 clause 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 2016-17 is being sent to all the members whose e-mail 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 e-mail address, physical copies of the Annual Report is being sent in the permitted mode.
12. Electronic copy of the Notice of the Thirtieth 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 e-mail 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 e-mail 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.
 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 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 e-mail 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, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual general meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM("remote e-voting") will be provided by Central Depository Services(India) Limited. (CDSL).
 - II) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III) The members who have cast their vote by remote e-voting prior to the AGM, may also attend the AGM, but shall not be entitled to cast their vote again.
 - IV) The remote e-voting period begins on Monday, 18th September, 2017 at 9:00 a.m. and ends on Wednesday, 20th September, 2017 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 14th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - V) The process and manner for remote e-voting is as under:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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) 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. Apple and Windows phone users can download app the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) 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 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.
 - 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 and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- VI) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com Or send e-mail to Company at Investor_relations@bharatseats.net or contact the Company or Registrar & Share Transfer Agent.
- VII) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. as on the cut off date i.e. 14th Sep., 2017.
- VIII) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as on the cut off date i.e. 14th Sep., 2017, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or send e-mail to Company at Investor_relations@bharatseats.net. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot Use Details/Password' option available on www.evotingindia.com.
- IX) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X) Mr. R. S. Bhatia, Company Secretary in Practice (Membership Number: FCS: 2599) 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 along with the Scrutinizer's Report shall be placed on the Company's website 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

Mrs Sharda Relan (DIN:00252181) was appointed on the Board , as an Additional Director, with effect from 20th July, 2016, 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 along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs Sharda Relan for the office of Director of the Company. Mrs Relan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her 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 Mrs Sharda Relan, Director, and Mr. Rohit Relan, Chairman cum Managing Director and Mr. Ajay Relan, Director, related to the said Director, 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 guidance of Mrs Sharda Relan, therefore, recommend the Ordinary Resolution set out at item no.6 of the accompanying notice for approval of the shareholders of the Company.

Resolution no. 7

Mr. Toshiya Miki (DIN:07505339) was appointed on the Board, as an Additional Director, as a nominee of Suzuki Motor Corporation, Japan, with effect from 20th January, 2017, in place of Mr. Akio Sano, 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 along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Toshiya Miki for the office of Director of the Company. Mr. Toshiya Miki 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. Toshiya Miki, 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. Toshiya Miki, therefore, recommend the Ordinary Resolution set out at item no. 7 of the accompanying notice for approval of the shareholders of the Company.

Resolution no. 8

Mr. T. J. Chacko was appointed as Director (Operations) for a period of three years w.e.f. 1st December, 2014 to 30th November, 2017.

Mr. Chacko is 72 years old, therefore his re-appointment shall require approval of shareholders by means of Special Resolution.

The Nomination and Remuneration Committee recommended and the Board approved the re appointment of Mr. T. J. Chacko in their respective meetings held on 18th July, 2017.

The approval of members is sought for his re-appointment, terms and conditions of appointment and payment of remuneration.

None of the Directors/ KMP of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except Mr. T. J. Chacko and his relatives. During the year; 2016-17, he attended four Board meetings. The Board commends this resolution for approval of the members.

STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II TO THE SCHEDULE V OF THE COMPANIES ACT, 2013 FOR PAYMENT OF REMUNERATION TO MR THADIKARAN CHACKO JOSEPH, WHOLETIME DIRECTOR

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 two wheelers of Suzuki Motor Cycle India Private Ltd., 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 nine 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 2015-16 and 2016-17 is given hereunder:

(Rs. in lakhs)

	2016-17	2015-16
Revenue from operations (Gross)	93260.18	79313.69
Net Profit after tax	1217.31	721.60
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, M/s INOAC Corporation, Japan and M/s Houwa Kogyo Co.Ltd., Japan.

II. Information about the appointee i.e. Mr. Thadikaran Chacko Joseph

1. Background details :

Mr. Thadikaran Chacko Joseph, aged 72 years, joined Bharat Seats Limited in 1997 as General Manager(Works) and is presently Director(Operations) of the Company. He is a qualified B.Sc. Engg (Mechanical). He is JIPM* certified TPM** Consultant for manufacturing excellence. He has undergone extensive training

and got considerable experience and exposure in Japanese Management of Auto Component industries.

*JIPM - Japanese Institute of Planned Maintenance

**TPM - Total Productive Maintenance

2. Past remuneration

The total annual remuneration of Mr. Chacko, based on current salary is Rs. 55.54 lakhs.

3. Recognition or awards

He has more than 45 years of work experience in operations and general management by virtue of heading various functional departments like Manufacturing, Tool Room, Maintenance, Design, HR and Factory Management. He is a qualified B.Sc. Engg (Mechanical). He is JIPM (Japanese Institute of Planned Maintenance), Japan certified Total Productive Maintenance (TPM) Consultant for manufacturing excellence. He has undergone extensive training and got considerable experience and exposure in Japanese Management of Auto Component industries.

4. Job profile and his suitability

Mr. Chacko is presently Director(Operations) of the Company. He has been instrumental in bringing about substantial change in the top and bottom line of the unit, expanding to multiple units and multiple products. He attends to matters concerning operations and general management and such other duties and services as entrusted by the Chairman cum Managing Director. Mr. Chacko is performing the same since 1997.

5. Remuneration proposed

DETAILS OF REMUNERATION, INCLUDING PERQUISITES :

A. BASIC SALARY : Rs. 1,80,000/- per month, with a provision of annual increment of Rs.22,500/- per month, in the scale of Rs. 1,80,000 - Rs. 22,500 - Rs.2,02,500/- per month with authority to the Board (which expression shall include a Committee thereof) to revise his salary based on merit and Company's performance.

B. PERFORMANCE LINKED BONUS:

With a maximum of 50% of annual Basic salary with authority to the Board (which expression shall include a Committee thereof) to fix the same based on certain performance criterion laid down by the Board.

C. ALLOWANCES & PERQUISITES :

1. HOUSE RENT ALLOWANCE: Upto a maximum of 50% of Basic Salary.

2. PERSONAL ALLOWANCE: Upto a maximum of 30% of Basic Salary.

3. LEAVE TRAVEL ALLOWANCE : Upto a maximum of one month's Basic Salary as per Company's Rules.

D. OTHER ENTITLEMENTS/ REIMBURSEMENTS:

1. Books & Periodicals, Telephone/ Internet expenses upto a maximum of Rs.13,000/- per month.

2. Entertainment expenses upto a maximum of Rs.10,000/- per month.

3. Medical Reimbursement: Upto a maximum of Rs.1,250/- per month.

4. Provision of Company Car for official use only.

5. Reimbursement of Chauffeur's salary and Petrol expenses upto a maximum of Rs.35,000/- per month.

6. Company's contribution to Provident Fund

7. Earned Leave Encashment as per the rules of the Company.

8. Others: Other Perquisites and Allowances in accordance with the Rules of the Company.

E. OTHER TERMS AND CONDITIONS

In the event of absence or inadequacy of profits in any financial year, the Wholetime Director shall be entitled to the minimum remuneration as mentioned herein above 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. Thadikaran Chacko Joseph, the remuneration being proposed to be paid to the Wholetime 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 Wholetime Director, the appointee has no other pecuniary relationship with the Company.

The appointee is not related to any of the Directors and the Key Managerial Personnel of the Company or their relatives.

III. Other Information
1. Reason for loss or inadequate profits

The Company has improved profitability in 2016-17, as compared to 2015-16. The Company has better scope for profitability, but its profitability is affected due to additional investments and higher depreciation on account of new products, and less offtake of new products at present, the sales of which is expected to go up in future which shall further improve the profitability in the next two-three years. BSL has already started supply against fresh orders received from its customer, which will further 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:

- Backward integration of Raw material and bought out procured from outside sources which will give better value addition; and
- Cost reduction measures such as improvement in productivity and reduction in interest cost.

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 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. 9

Mr. Rishabh Relan was appointed as Chief Operating Officer of the Company w.e.f. 16th August, 2012, on a monthly remuneration of Rs.1,80,000/- per month, plus Allowances and Perquisites as approved by shareholders on 29th July, 2013. Mr Rishabh Relan is son of Mr Rohit Relan, Chairman cum Managing Director. He is a related party of the company in terms of section 2(76) of the Companies Act 2013 and revision in his remuneration,

being a related party transaction attracts provisions of the section 188 of the Companies Act 2013. The proposed increase is as recommended by the Nomination and Remuneration Committee, and Audit Committee and Board in their respective meetings held on 18.07.2017. Since the proposal of increase in remuneration exceeds Rs Two lakh Fifty thousand per month, approval of members is required by way of ordinary resolution.

He is 26 years old, young and dynamic personality. He did his graduation- Bachelors in Science in Industrial Engineering from Georgia Institute of Technology, Atlanta, U.S.A and Diploma – 6 Sigma in lean manufacturing from Institute of Industrial Engineering in United States. He is responsible for business development and finance planning. He, alongwith Mr Rohit Relan, has been instrumental in getting the orders for seats for new models of Maruti cars from Maruti Suzuki india Ltd. .Keeping in view his significant contribution to the growth of the Company, the scale of operations of the Company and the enhanced responsibilities assigned to him and the fact that the existing remuneration was fixed in 2012, without increase in last five years, the proposal for increase in remuneration of Mr. Rishabh Relan is placed before the shareholders for approval. The proposed increase in remuneration is in line with Industry standards prevalent in India.

The key details regarding the transaction(s)/ arrangement(s) and disclosures as required under Rule 15 of the Companies(Meetings of Board and its Powers) Rules, 2015, are given below:

Name of the Related Party	MR RISHABH RELAN
Name of the Director/ Key Managerial personnel who is related	MR ROHIT RELAN, Chairman cum Managing Director of the Company
Nature of relationship	Mr. Rishabh Relan is son of Mr Rohit Relan, Chairman cum Managing Director of the Company
Remuneration	As provided in resolution
Nature, material terms and particulars of the arrangement/ contract	Increase in remuneration of Mr. Rishabh Relan, Chief Operating Officer on the terms and conditions as provided in the resolution
Duration	Mr. Rishabh Relan is working as COO of the Company and this resolution shall prevail as long as he is in employment of the Company

None of the Directors and Key Managerial Personnel except Mr. Rohit Relan is interested or concerned in the proposed resolution.

The Board recommends the resolution for approval of the shareholders.

All members are further informed that all concerned related parties shall not be entitled to vote on this resolution.

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 AJAY RELAN	MR C.V. RAMAN	MRS SHARDA RELAN	MR TOSHIYA MIKI	MR. T. J. CHACKO
DIRECTOR IDENTIFICATION NUMBER	00257584	07093663	00252181	07505339	07005026
AGE	55 years	55 years	81 years	48 years	72 years
DATE OF JOINING THE BOARD	05.04.1988	18.07.2015	20.07.2016	20.01.2017	01.12.2014
QUALIFICATION	B.Com (Hons) and Owner/ President Management Programme from Harvard Business School	Graduate from Delhi College of Engineering with BE in Mechanical Engineering	Graduate	Graduate from Meijo University in Mechanical	B.Sc. Engg (Mech.) and Production Management course from Administrative Staff College, Hyderabad
EXPERIENCE (INCLUDING EXPERTISE IN SPECIFIC FUNCTIONAL AREA)	Mr. Ajay Relan, is an industrialist with expertise in Business Management	Mr. C.V. Raman, He has 34 years of experience and presently heads the Maruti Suzuki Engineering and R&D function. Presently he is Sr. Executive Officer of MSIL. He has expertise in Product Development, Vehicle Testing and Homologation Cost Management	Mrs Sharda Relan, has a wide experience in management in automobile components sector and financial services.	Mr. Toshiya Miki, has wide experience in Purchase Cost Control and Business Promotion. Presently, he is Sr. Advisor (Supply Chain) of MSIL with expertise in Purchase	Mr. T. J. Chacko is Director (Operations) with expertise in Manufacturing excellences
TERMS & CONDITIONS OF APPOINTMENT / RE-APPOINTMENT	As per the resolution at Item No. 3 of the Notice convening Annual General Meeting on September 21st, 2017	As per the resolution at Item No. 4 of the Notice convening Annual General Meeting on September 21st, 2017	As per the resolution at Item No. 6 of the Notice convening Annual General Meeting on September 21st, 2017, read with explanatory statement thereto	As per the resolution at Item No. 7 of the Notice convening Annual General Meeting on September 21st, 2017, read with explanatory statement thereto	As per the resolution at Item No. 8 of the Notice convening Annual General Meeting on September 21st, 2017, read with explanatory statement thereto
REMUNERATION LAST DRAWN (INCLUDING SITTING FEES IF ANY)	Rs. 80,000/- (Sitting Fees only)	Rs. 160,000/- (Sitting Fees only)	Rs. 80,000/- (Sitting Fees only)	Rs. 40,000/- (Sitting Fees only)	Rs. 49,75,378/-
REMUNERATION PROPOSED TO BE PAID	As per existing terms and conditions	As per existing terms and conditions	As per existing terms and conditions	As per existing terms and conditions	As per the resolution at Item No. 8 of the Notice convening Annual General Meeting on September 21st, 2017, read with explanatory statement thereto

**BHARAT SEATS LIMITED**

NAME OF THE DIRECTOR	MR AJAY RELAN	MR C.V. RAMAN	MRS SHARDA RELAN	MR TOSHIYA MIKI	MR. T. J. CHACKO
RELATIONSHIP WITH OTHER DIRECTORS/KMP	Mrs Sharda Relan - mother Mr. Rohit Relan - brother	- None -	Mr. Rohit Relan - son Mr. Ajay Relan - son	- None -	None
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR	2	4	2	1	4
CHAIRMANSHIPS/ DIRECTORSHIPS HELD IN OTHER COMPANIES AS ON 31.03.2017	1. Sharda Motor Industries Ltd.. 2. Relan Industrial Finance Ltd. 3. Toyo Sharda India Pvt.Ltd. 4. Toyota Boshoku Relan India Pvt. Ltd. 5. Sharda Inoac Pvt.Ltd. 6. Progressive Engineering And Automation Pvt. Ltd.	1. Krishna Maruti Ltd.	1. Sharda Motor Industries Ltd. 2. Relan Industrial Finance Ltd. 3. Sharda Auto Solutions Pvt. Ltd.	1. Sona Koyo Steering Systems Limited 2. Mark Exhaust Systems Limited	None
CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF OTHER COMPANIES AS ON 31.03.2017	None	None	Member - Audit Committee, Sharda Motor Industries Ltd.(SMIL) Member - Stakeholders Relationship Committee, SMIL Chairman - CSR Committee, SMIL	None	None
NO. OF SHARES HELD IN THE COMPANY	3,17,108	None	12,51,350	None	None

BOARD'S REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 30th Annual Report together with the Audited Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

Rupees in lakhs

PARTICULARS	2016-2017	2015-2016
GROSS REVENUE FROM OPERATIONS	93260.18	79313.69
OTHER INCOME	207.95	219.88
PROFIT BEFORE FINANCIAL CHARGES & DEPRECIATION	3839.45	3175.44
LESS: FINANCE COSTS	447.12	537.96
PROFIT BEFORE DEPRECIATION & TAXATION	3392.33	2637.48
LESS:		
A) DEPRECIATION	1710.34	1653.45
B) PROVISION FOR TAXATION		
- CURRENT TAX(NET OF MAT CREDIT ENTITLEMENT)	352.15	231.30
- DEFERRED TAX	112.53	31.13
NET PROFIT AFTER TAX	1217.31	721.60
ADD: OTHER COMPREHENSIVE INCOME, NET OF TAXES	(7.59)	(6.04)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1209.72	715.56
TRANSFER TO GENERAL RESERVE	-	-
BALANCE CARRIED FORWARD TO BALANCE SHEET	1217.31	721.60

FINANCIAL HIGHLIGHTS AND OPERATIONS

The gross revenue from operations and other income for the financial year under review was Rs. 93,468.13 lakhs as against Rs 79,533.57 lakhs for the previous financial year, i.e. an increase by 17.52%. The profit before finance costs, depreciation and taxation is Rs. 3839.45 lakhs for the financial year under review as against Rs 3175.44 lakhs for the previous financial year, i.e. increase by 21%. The profit after tax increased to Rs. 1217.31 lakhs, as compared to Rs. 721.60 lakhs for the previous financial year, i.e. increase by 69%. Total comprehensive income for the year increased to Rs.1209.72 lakhs as compared to Rs.715.56 lakhs for the previous financial year, i.e. increase by 69%. This is mainly due to increase in volumes and other cost saving measures taken by the Company.

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 31.03.2017.

AWARDS AND RECOGNITION

Your Company has received the following awards :

1. Certificate for Yield Improvement
2. Shield for Overall Performance,

at the Vendor Conference of Maruti Suzuki India Limited, held in Singapore recently.

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.

CREDIT RATING

ICRA has assigned its Short Term credit rating of A2 and Long term Credit rating of BBB, indicating the outlook on the long term rating as "Stable".

RELATED PARTY TRANSACTIONS

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.

DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES

None of the Companies has become or ceased to become Subsidiary, Joint Venture or Associate Company during 2016-17.

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, and guidance note dt. 5th January, 2017, 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 been 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.

INDIAN ACCOUNTING STANDARDS (IND-AS)

Your Company has adopted Indian Accounting Standards(Ind-AS) with effect from 1-04-2016 pursuant to Ministry of Corporate Affairs Notification of the Companies(Indian Accounting Standards) Rules, 2016.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS:

During the year under review, on the recommendation of the Nomination and Remuneration Committee and as recommended by the Board, Mr. Rohit Relan was re appointed as Managing Director of the Company for a period of five years, w.e.f. 1.10.16, to 30.09.2021, in the Annual General meeting held on 20th July, 2016.

During the year, Mr. Narinder Dev Relan, Founder Chairman of your Company passed away on 2nd June, 2016, leaving behind his rich legacy and values. His principles will continue to inspire us for the future growth of the Company.

After his sad demise, Mr. Rohit Relan, was unanimously appointed as Chairman in the Board meeting held on 20th July, 2016. On the recommendation of the Nomination and Remuneration Committee and as recommended by the Board, Mrs. Sharda Relan (DIN: 00252181) was appointed as Additional Director w.e.f. 20th July, 2016, 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 Mrs. Sharda Relan for the office of Director. The Board recommend the appointment of Mrs. Sharda Relan.

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Mr. Ajay Relan (DIN:00257584) and Mr. Venkat Raman Challa (DIN:07093663) shall retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Board recommends their re-appointment.

During the year, Mr. Yoichi Kojima, Nominee Director - Suzuki Motor Corporation, Japan, resigned w.e.f. close of business hours on 20th July, 2016. The Board placed on record its appreciation for the valuable services rendered by Mr. Kojima during his association with your Company.

During the year, Mr. Akio Sano, Nominee Director - Suzuki Motor Corporation, Japan was appointed as an Additional Director w.e.f. 21st July, 2016. He resigned w.e.f. close of business hours on 19th January, 2017. The Board placed on record its appreciation for the valuable services rendered by Mr. Akio Sano during his association with your Company.

Mr. Toshiya Miki, Nominee Director - Suzuki Motor Corporation, Japan, was appointed as an Additional Director w.e.f. 20th January, 2017, 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. Toshiya Miki for the office of Director. The Board recommend the appointment of Mr. Toshiya Miki.

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, Chairman cum 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.

Mr. T. J. Chacko, Wholetime Director, designated as Director (Operations) was appointed from 1.12.2014 to 30.11.17.

On the recommendation of the Nomination and Remuneration Committee , the Board, in its meeting held on 18th July, 2017, recommends the re appointment of Mr. Chacko as a wholetime Director for another period of two years, from 1.12.2017 to 30.11.2019.

A brief resume and other details as required under the Act and Listing Regulations are provided in the Notice of the 30th Annual General meeting of the Company.

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.

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

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

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

The Directors had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the 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. The Audit Committee evaluates the internal financial control system periodically.

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, 2017 is annexed hereto as Annexure IV.

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.

AUDIT COMMITTEE

The Audit Committee comprises of Independent Non-executive Directors, namely Mr. G. N. Mehra, Chairman, Mr. P. K. Lahiri and Mr. Ravindra Gupta.

Powers and Role of the Audit Committee are included in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

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 as at 31st March, 2017 and of the Profit or Loss of the Company for the year ending 31st March, 2017;
- (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 VI.

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 OF THE COMPANIES ACT, 2013

The Company has formulated a Nomination And Remuneration Policy, which is annexed as part of the

report as Annexure VII. Other details are provided in Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.

None

RISK MANAGEMENT

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.

VIGIL MECHANISM

The Company has in place an established Whistle Blower Policy. The Audit Committee and the Board periodically reviews the policy and its implementation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees.

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%20Blower%20Policy.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

As per Section 139 of the Companies Act, 2013, read with the Companies(Audit and Auditors) Rules, 2014, the term of M/s S.S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) expires at the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on 18th July, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a consecutive term of five years i.e, from the conclusion of the 30th Annual General Meeting (AGM) till the conclusion of 35th AGM for approval of the members.

The abovesaid forms part of the Notice of the 30th Annual General meeting of the Company. The Company has received a written consent

and a certificate from M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Regn. No. 301003E/ E300005) that they satisfy the criteria provided under section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and the rules framed thereunder.

The Report given by M/s S.S. Kothari Mehta & Co., Statutory Auditors on the financial statement of the Company for the year ended 31st March, 2017 is part of the Annual Report. There has been no qualification, reservation, or adverse remark or disclaimer in their Report.

During the year under review, the Auditors had not reported any matter under section 143(12) of the Act, i.e. no detail is required to be disclosed under section 134(3)(ca) of the Act.

M/s S.S. Kothari Mehta & Co., over many years, have maintained the highest level of governance, ethical standards and quality in their audit. The Board place on record its appreciation for the services rendered by M/s S.S. Kothari Mehta & Co. as the Statutory Auditors of the Company.

(b) Secretarial Auditors

The Secretarial Audit was carried out by Ms. Nidhi Chawla, Practising Company Secretary for the Financial year: 2016-17. The report of Secretarial Auditor for the financial year 2016-17 is annexed herewith marked as Annexure VIII to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

To conduct the Secretarial Audit of the Company for the Financial year: 2017-18, and onwards, the Board, in their meeting held on 18th July, 2017, has appointed Mr R.S. Bhatia, Company Secretary in Practice (Membership Number: FCS: 2599) as Secretarial auditors of the Company.

The Board place on record its appreciation for the services rendered by Ms. Nidhi Chawla as the Secretarial Auditors of the Company.

SAFETY

The Company has appointed a CFT team which meets at regular intervals and carries out internal audit periodically to identify the safety shortcomings and remedial measures to rectify the same. Regular guidance from MSIL advisor is sought to strengthen the fire and safety measures.

Environment, Health and Safety (E.H.S) Training is imparted to the employees.

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: 2016-17:

- 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. Ltd., Toyo Seat Co. Ltd., Japan, Houwa Kogyo Co Ltd, Japan, INOAC Corporation, Japan, HDFC Bank Ltd., State Bank of India (after acquisition of State Bank of Travancore by State Bank of India), 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 each and every employee for her/ his efficient service, 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

ROHIT RELAN
Chairman cum
Managing Director

Place : New Delhi
Dated : 18th July, 2017

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	15.04.2016	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	15.04.2016	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	15.04.2016	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	15.04.2016	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	15.04.2016	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	15.04.2016	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, 2017.

(A) CONSERVATION OF ENERGY

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

The following steps have been implemented to save electricity:

Gurgaon Plant :

VFD type air compressor provided in place of normal air compressor, Electricity Saving 24908 KWH / Year.

Auto timers provided in carpet punching machine to switch off machine during Idle time. Saving 8200 KWH / Year.

Inverter type individual air conditioners provided in place of package Air conditioners, saving 18396 kwh / Year.

Manesar Plant :

PU heat exchanger temperature reduced, power saving 4800 KWH / Year. Auto timer provided in air cooling system to switch off during lunch time, Saving 4300 KWH / Year. PU line air leakage stopped in mould, power saving 7200 KWH / Year. Air compressor pressure setting reduced, power saving 7200 KWH / Year.

- (ii) the steps taken by the Company for utilising alternate sources of energy.

We have installed 200 KW solar power plant at the Manesar plant.

This Solar plant is an alternate power source, which will generate approx. 2,00,000 KWH/ year, starting from 2017-18.

- (iii) the capital investment on energy conservation equipments.

Capital investment on Solar Plant is approx. Rs 100.70 Lacs.

(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 sedan and SUV segment.
- b) Moulded floor 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 has slew of new products development & refresh models on the anvil for the launch in coming 3 years.

The R&D department has successfully launched refresh models for the seating system and started its supply for previously launched premium segment model "S- Cross" with Iso-fix & Top Tether system ahead of new norms for child seat safety. The similar systems as add-on are launched for Alto in export market.

Besides this, R&D department has launched many minor programs termed as "Refresh" in current platforms like wagon R and Ertiga.

Besides seating business your R&D has launched seating system for flagship model of Suzuki Motorcycle's highest selling Suzuki Access and Extrusion parts for newly launched Ignis from Maruti Suzuki.

Your R&D was awarded at the recent vendor meet of Suzuki motor-cycle for Value Analysis & Value Engineering project that was aimed at reducing the cost of process.

Your R&D has launched many initiatives for development of its People & products like Virtual Product Test System (Computer Aided Engineering / CAE)- To make R&D team more equipped with latest technology that will help design the product with confidence, your R&D has invested in Virtual testing facility with latest software like LS Dyna & Hyper-mesh. This technology will help bolster the confidence of engineers doing the product design before huge investment is committed for making proto & doing physical testing. This will save money on tooling modifications post launch as well as ensure quality of the product before start of production.



Benchmarking activity - For finding better features in terms of design, Process. This will help improve the yield, reduce quality rejection.

War Room review system - Mechanism of flawless new product launch with cross functional team. This will ensure smooth launch of new product.

Proto room - for validation & verification of design concept while the product is in development phase. This will ensure flawless launch of product.

Such initiatives will continue to bolster people development & deployment of new technologies.

On Technology transfer your company is engaging international players in the similar field like Toyo seats from Japan for seating system design, INOAC from Japan for extrusion product line, Houwa Kogyo Co.Ltd. for carpet technology, etc.

Technology Transfer -

New technologies that your R&D is working on is high tensile steel stamping & welding called Cold Metal Transfer (CMT). This new technology is being employed to reduce weight of product which in turn will improve fuel efficiency of the vehicle as a green initiative.

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

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

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 bolster people development, deployment of technologies, etc.

3) R&D FUTURE PLANS

To make R&D team more equipped with latest technology that will help design the product with confidence, your R&D is investing in Virtual testing facility with latest software like LS Dyna & Hypermesh. This technology will help bolster the confidence of engineers doing the product design before huge investment is committed for making proto & doing physical testing.

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,

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 which has resulted in capital & other expenditures as follows :

- a) Capital Rs. 173.12 lakhs
- b) Recurring Rs. 238.35 lakhs
- c) Total Rs. 411.47 lakhs
- d) Total R&D expenditure as a percentage of total turnover 0.44%

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, extruded products and also to add new product type seat mechanism.

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

- a. Process based approach to manufacture has improved efficiency and quality of product.
- b. Inhouse deployment of technologies has reduced the cost of production.
- c. 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)
- For continuous improvement - For manufacture of moulded carpets and seating system for four wheelers - For Manufacture of Two Wheeler Seat Assemblies - For Manufacture of extruded components for automobiles	2014-2015	Yes Yes Yes Yes
- For continuous improvement - For manufacture of moulded carpets and seating system for four wheelers - For Manufacture of Two Wheeler Seat Assemblies - For Manufacture of extruded components for automobiles.	2015-2016	Yes Yes Yes Yes
- For continuous improvement - For manufacture of moulded carpets for four wheelers - For manufacture of seating system for four wheelers - For manufacture of Two Wheeler Seat Assemblies - For manufacture of extruded components for automobiles	2016-2017	Yes Carpet with Sound absorption technology – In Transition phase of absorption Yes Yes 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.1496.64 lakhs (Rs. 762.49 lakhs). Other expenditure in foreign currency relating to travelling, training and technical fees amounted to Rs..286.21 lakhs (Rs. 534.64 lakhs). Remittances in foreign currency on account of dividend amounted to Rs. 41.85 lakhs (Rs. 41.85 lakhs).

(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: www.bharatseats.com/investors/csr_policy.pdf
2.	The Composition of the CSR Committee	1. Mr. Ravindra Gupta, Chairman 2. Mr. G.N.Mehra 3. Mrs. Shyamla Khera
3.	Average net profit of the company for last three financial years	Rs. 998.88 lakhs
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 19.98 lakhs
5.	Details of CSR spent during the financial year. (a) Total amount to be spent for the financial year; (b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year is detailed below:	Rs. 19.98 lakhs Rs. 13.48 lakhs As per Annexure

1	2	3	4	5	6	7	8
	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs 1. Local Area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
	Health Care & Sanitation	Health Care & Sanitation	Delhi	Rs.6.50 lakhs	Rs.6.50 lakhs	Rs.6.50 lakhs	Rs.6.50 lakhs

6. Reason for not spending the amount: The Company is in the process of evaluating the same.

7. 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
CHAIRMAN CUM MANAGING DIRECTOR

sd/-
RAVINDRA GUPTA
Chairman-CSR Committee

ANNEXURE IV
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[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, 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	92%
2	Carpet Sets for Automobiles	2930	2%
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	Maruti Suzuki India Limited	L34103DL1981PLC011375	Joint Venture	14.81	2(6)
2	Suzuki Motor Corporation, Japan	FOREIGN COMPANY	Joint Venture	14.81	2(6)
3	Sharda Motor Industries Limited	L74899DL1986PLC023202	Associate	28.66	2(6)

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

Category of Shareholders	No. Of Shares held at the beginning of the year (As on 01.04.2016)				No. Of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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.	13,673,000	-	13,673,000	43.55	13,670,000	-	13,670,000	43.54	(0.01%)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	18,708,458	-	18,708,458	59.58	18,705,458	-	18,705,458	59.57	(0.01%)
(2) Foreign									
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	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	4,650,000	-	4,650,000	14.81	4,650,000	-	4,650,000	14.81	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	23,358,458	-	23,358,458	74.39	23,355,458	-	23,355,458	74.38	(0.01%)
B. Public Shareholding									
1. Institutions	1000	-	1000	-	1000	-	1000	-	-
a) Mutual Funds	34,000	-	34,000	0.11	34,000	-	34,000	0.11	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	35,000	-	35,000	0.11	35,000	-	35,000	0.11	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	630,700	8,010	638,710	2.03	660,696	8,010	668,706	2.13	0.10%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,751,093	494,139	6,245,232	19.89	5,757,303	482,971	6,240,274	19.87	(0.02%)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,066,503	-	1,066,503	3.40	1,044,465	-	1,044,465	3.33	(0.07%)
c) Others (specify)TRUST	56,097	-	56,097	0.18	56,097	-	56,097	0.18	-
Sub-total (B)(2):-	7,504,393	502,149	8,006,542	25.50	7,518,561	490,981	8,009,542	25.51	0.01%

Category of Shareholders	No. Of Shares held at the beginning of the year (As on 01.04.2016)				No. Of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	7,539,393	502,149	8,041,542	25.61	7,553,561	490,981	8,044,542	25.62	0.01%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30,897,851	502,149	31,400,000	100.00	30,909,019	490,981	31,400,000	100.00	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Share holding at the end of the year (As on 31.03.2017)			% 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	-	-
4	NARINDER DEV RELAN	1,057,450	3.37	-	-	-	-	(3.37)
5	N.D.RELAN H.U.F	51,500	0.16	-	51,500	0.16	-	-
6	SHARDA RELAN	193,900	0.62	-	1,251,350	3.99	-	3.37
7	ROHIT RELAN	310,500	0.99	-	310,500	0.99	-	-
8	ROHIT RELAN H.U.F	344,500	1.10	-	344,500	1.10	-	-
9	AJAY RELAN	317,108	1.01	-	317,108	1.01	-	-
10	AJAY RELAN H.U.F	302,700	0.96	-	302,700	0.96	-	-
11	RITU RELAN	272,500	0.86	-	272,500	0.86	-	-
12	MALA RELAN	398,500	1.27	-	398,500	1.27	-	-
13	RISHABH RELAN	349,000	1.11	-	349,000	1.11	-	-
14	PRANAV RELAN	410,500	1.31	-	410,500	1.31	-	-
15	AYUSH RELAN	195,800	0.62	-	195,800	0.62	-	-
16	AASHITA RELAN	465,500	1.48	-	465,500	1.48	-	-
17	AASHIM RELAN	366,000	1.17	-	366,000	1.17	-	-
18	RELAN INDUSTRIAL FINANCE LTD.	23,000	0.07	-	20,000	0.06	-	(0.01)
	Total	23,358,458	74.39		23,355,458	74.38		(0.01)

**(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	23358458	74.39	3000	0.01
	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			23355458	74.38

**CHANGE IN PROMOTER SHAREHOLDING:**

SR. NO.	SHAREHOLDER'S NAME	SHAREHOLDING		DATE	INCREASE/ (DECREASE)	REASON	CUMILATIVE SHAREHOLDING DURING THE YEAR	
		AT THE BEGINNING (1.4.16) AND END OF THE YEAR (31.3.17)	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	NARINDER DEV RELAN	1,057,450 -	3.37 -	1.4.16 17.06.16	(1,057,450)	SAD DEMISE TRANSMISSION	-	-
2	SHARDA RELAN	193,900	0.62	1.4.16				
				17.6.16	1,057,450	TRANSMISSION	1,251,350	3.99
		1,251,350	3.99	31.3.17			1,251,350	3.99
3	RITU RELAN	272,500	0.87	1.4.16				
				23.9.16	17,438	TRANSFER	289,938	0.92
				30.9.16	(17,438)	TRANSFER	272,500	0.87
		272,500	0.87	31.3.17			272,500	0.87
4	PRANAV RELAN	410,500	1.31	1.4.16				
				23.9.16	19,699	TRANSFER	430,199	1.37
				30.9.16	(19,699)	TRANSFER	410,500	1.31
		410,500	1.31	31.3.17			410,500	1.31
5.	RELAN INDUSTRIAL FINANCE LTD.	23,000	0.07	1.4.16				
				20.5.16	1200	TRANSFER	24,200	0.08
				27.5.16	5244	TRANSFER	29,444	0.09
				10.6.16	9,100	TRANSFER	38,544	0.12
				9.9.16	(14,255)	TRANSFER	24,289	0.08
				23.9.16	(4,289)	TRANSFER	20,000	0.06
		20,000	0.06	31.3..17			20,000	0.06

(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 (1.4.16) AND END OF THE YEAR (31.3.17)	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1.	SANTOSH SITARAM GOENKA	204,411	0.65	1.4.16				
				8.4.16	(4,664)	TRANSFER	199,747	0.64
				10.6.16	3,969	TRANSFER	203,716	0.65
				8.7.16	300	TRANSFER	204,016	0.65
				17.2.17	(42,161)	TRANSFER	161,855	0.51
		161,855	0.51	31.3.17			161,855	0.51
2.	SUNITA SANTOSH GOENKA	171,285	0.55	1.4.16				
				31.3.17			171,285	0.55
3.	NEELAM KUMARI KAPUR	192,328	0.61	1.4.16				
				22.4.16	(20,000)	TRANSFER	172,328	0.55
				30.6.16	(20,000)	TRANSFER	152,328	0.49
		152,328	0.49	31.3.17			152,328	0.49
4.	NEELAM KUMARI KAPUR	4,188	0.01	1.4.16				
				15.4.15	(900)	TRANSFER	3,288	0.01
				22.4.16	15,100	TRANSFER	18,388	0.06
				10.6.16	(8240)	TRANSFER	10,148	0.03
				17.6.16	(2,300)	TRANSFER	7,848	0.02
				30.6.16	19,303	TRANSFER	27,151	0.09
				8.7.16	(1,730)	TRANSFER	25,421	0.08
				22.7.16	(2,600)	TRANSFER	22,821	0.07
				29.7.16	(600)	TRANSFER	22,221	0.07
				16.9.16	7,250	TRANSFER	29,471	0.09
				7.10.16	9,590	TRANSFER	39,061	0.12
				21.10.16	4,100	TRANSFER	43,161	0.14
				4.11.16	2,500	TRANSFER	45,661	0.15
				11.11.16	18,786	TRANSFER	64,447	0.21
				18.11.16	6,000	TRANSFER	70,447	0.22
9.12.16	4,400	TRANSFER	74,847	0.24				
3.2.17	4,100	TRANSFER	78,947	0.25				
17.2.17	1,000	TRANSFER	79,947	0.25				
24.2.17	1,000	TRANSFER	80,947	0.26				
3.3.17	4,115	TRANSFER	85,062	0.27				
10.3.17	2,156	TRANSFER	87,218	0.28				
		87,218	0.28	31.3.17			87,218	0.28
5.	SUPRIYA SANTOSH GOENKA	146,941	0.47	1.4.16				
		146,941	0.47	31.3.17	-	-	146,941	0.47


BHARAT SEATS LIMITED

SR. NO.	SHAREHOLDER'S NAME	SHAREHOLDING		DATE	INCREASE/ (DECREASE)	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR	
		AT THE BEGINNING (1.4.16) AND END OF THE YEAR (31.3.17)	% OF TOTAL SHARES OF THE COMPANY				NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
6.	M L BHANOT	98,578	0.31	1.4.16				
		98,578	0.31	31.3.17	-	-	98,578	0.31
7.	AKUM MERCHANTILE CO. LIMITED	0	0.00	1.4.16				
				20.1.17	11,579	TRANSFER	11,579	0.04
				27.01.17	21,821	TRANSFER	33,400	0.11
				3.2.17	15,847	TRANSFER	49,247	0.16
				10.2.17	2,601	TRANSFER	51,848	0.17
				17.2.17	5,681	TRANSFER	57,529	0.18
				24.2.17	38,811	TRANSFER	96,340	0.31
				31.3.17			96,340	0.31
8.	SUNIL KUMAR GUPTA	120,000	0.38	1.4.16				
				28.10.16	(10,000)	TRANSFER	110,000	0.35
				31.12.16	(5,000)	TRANSFER	105,000	0.33
				17.2.17	(10,000)	TRANSFER	95,000	0.30
				31.3.17			95,000	0.30
9.	PRABHA BHANOT	66,000	0.21	1.4.16				
		66,000	0.21	31.3.17	-	-	66,000	0.21
10.	NASIRUDIN HYDERALI JAVERI	66,960	0.21	1.4.16				
				3.6.16	(300)	TRANSFER	66,660	0.21
				10.6.16	(300)	TRANSFER	66,360	0.21
				17.6.16	(200)	TRANSFER	66,160	0.21
				24.6.16	(200)	TRANSFER	65,960	0.21
				12.8.16	(200)	TRANSFER	65,760	0.21
				30.9.16	(50)	TRANSFER	65,710	0.21
				14.10.16	(100)	TRANSFER	65,610	0.21
				28.10.16	(100)	TRANSFER	65,510	0.21
				9.12.16	(200)	TRANSFER	65,310	0.21
				23.12.16	(200)	TRANSFER	65,110	0.21
31.12.16	150	TRANSFER	65,260	0.21				
31.3.17			65,260	0.21				
11.	CUSTODIAN (SPECIAL COURT) A/C RASILA S MEHTA/ SUDHIR S MEHTA	56,097	0.18	1.4.16				
		56,097	0.18	31.3.17	-	-	56,097	0.18
12.	AUCHLITE CHEMICAL PRIVATE LIMITED	55,000	0.18	1.4.16				
		55,000	0.18	31.3.17	-	-	55,000	0.18

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year : 1.4.2016		Shareholding at the end of the year : 31.3.2017	
		No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
1.	MR. NARINDER DEV RELAN	1057450	3.36	-	-
2.	MRS SHARDA RELAN	193,900	0.62	1,251,350	3.99
3.	MR. ROHIT RELAN	310500	0.99	310500	0.99
4.	MR. AJAY RELAN	317108	1.01	317108	1.01
5.	MR. G.N.MEHRA	20,000	0.06	20,000	0.06
6.	MR. KISHAN N.PARIKH	8,000	0.02	8,000	0.02
7.	MR. SANJEEV KUMAR	-	-	6,557	0.02

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

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6052.99	1455.11	-	7508.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.47	0.34	-	0.81
Total (i+ii+iii)	6053.46	1455.45	-	7508.91
Change in Indebtedness during the financial year				
Addition	988.22	-	-	988.22
Reduction	2098.16	134.15	-	2232.31
Net Change	1109.94	134.15	-	1244.09
Indebtedness at the end of the financial year				
i) Principal Amount	4943.35	1311.68	-	6255.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.17	9.62	-	9.79
Total (i+ii+iii)	4943.52	1321.30	-	6264.83

* 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:

(Rs. In lakhs)

Sl. no.	Particulars of Remuneration	Name of Chairman cum Managing Director/ Whole Time Director		Total 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	96.00	18.12	114.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	10.53	*29.21	39.74
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
5.	Others, please specify Contribution to Provident Fund	12.83	2.42	15.25
	Total (A)	119.36	49.75	169.11
	Ceiling as per the Act/ Approval of Central government	119.36	**49.75	169.11

* Includes all allowances/ perquisites/ entitlements/ reimbursements.

Mr. Chacko's salary includes arrears of Rs.1.16/- lakhs.

** Central Government approval obtained.

B. Remuneration to other directors:

(Rs. in lakhs)

Sl. no.	Particulars of Remuneration								Total Amount
		MR. MEHRA	MR. LAHIRI	MR. GUPTA	MRS. KHERA	MR. VARMA	MR. PARIKH		
1	Independent Directors								
	• Fee for attending Board / Committee meetings	7.60	7.20	6.00	4.00	3.60	1.20		29.60
	• Commission	-	-	-	-	-	-		-
	• Others, please specify	-	-	-	-	-	-		-
	Total (1)	7.60	7.20	6.00	4.00	3.60	1.20		29.60
		MR N.D. RELAN	MR Y KOJIMA	MR A.SANO	MRS SHARDA RELAN	MR C.V. RAMAN	MR T.MIKI	MR AJAY RELAN	
2	Other Non-Executive Directors								
	• Fee for attending board / committee meetings	1.20	0.80	0.40	0.80	1.60	0.40	0.80	6.00
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	1.20	0.80	0.40	0.80	1.60	0.40	0.80	6.00
	Total (B)=(1+2)	8.80	8.00	6.40	4.80	5.20	1.60	0.80	35.60
	Overall ceiling as per the Act	No Remuneration, only Sitting Fee							

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

(Rs. in lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Sanjeev Kumar	Ms. Ritu Bakshi	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	20.12	10.91	31.03
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify Provident Fund	1.13	0.58	1.71
	Total	21.25	11.49	32.74

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					
OTHER OFFICERS IN DEFAULT :					
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 : 2016-2017 :

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	CHAIRMAN CUM MANAGING DIRECTOR	Rs. 11,936,358/-	B.COM(HONS.) FC.A., OWNER/ PRESIDENT MANAGEMENT PROGRAMME FROM HARVARD BUSINESS SCHOOL	6.3.1986	38 YRS	61 YEARS	M/S S.P MARWAH & CO., CHARTERED ACCOUNTANTS	0.99%
Mr. ROHIT KAPUR	BUSINESS HEAD	Rs.68,35,940/-	B.E(Production Engineering& Management)	05-Jan-15	24 yrs	47 yrs	Lear Corporation	-
DILIP KUMAR MITHULALJI BOGAWAT	V.P. (R&D)	Rs.50,73,044	B.E(Mech)	20-Aug-14	26 YRS	48 YRS	Faurecia Interior Technical Centre	
T J CHACKO	DIRECTOR (Operations)	Rs.49,75,378	B.E(Mech)	18-Nov-97	45 yrs	72 yrs	VXL INDIA LIMITED	
RAJAT BHANDARI	SR. V.P. (Strategic Planning)	Rs.41,68,399	FCA & CS	01-Oct-08	29 yrs	53 yrs	FEDERAL MOGUL GOETZE INDIA LTD.	0.01%
SUNIL BHATIA	A.V.P. (Operations) Gurgaon	Rs.34,91,322	PGD(Die & Mould) PGD (Operation Management)	20-Oct-14	32 yrs	54 yrs	Omax Auto Ltd.	
SUDHANSHU MISRA	G.M. (R&D)	Rs.31,64,428	Diploma(Tool & Die Making), B. Tech (Mech) & MBA	09-Mar-15	20 yrs	45 yrs	Omax Auto Ltd.	
M SHARIQ QURESHI	A.V.P. (Operations) Manesar	Rs.29,84,787	PGPM- Dual specialization in "Operation Research & International Business"	22-Mar-10	27 yrs	50 yrs	RICO AUTO INDUSTRIES LTD.	

EMPLOYED FOR PART OF FINANCIAL YEAR : 2016-2017 :

NAME	DESIGNATION & NATURE OF DUTIES	REMUNERATION GROSS (RS.)	QUALIFICATIONS	DATE OF COMMENCEMENT OF EMPLOYMENT	TOTAL EXPERIENCE	AGE IN YEARS	LAST EMPLOYMENT	PERCENTAGE EQUITY
JAGDISH CHHABRA	V.P.(Purchase & SCM)	Rs. 14,30,992/-	M.Sc(Mathematics)& MBA (Operation Management)	05-Dec-16	24 YRS	46 YRS	Mindarika Pvt. Ltd	-
HARI DAS NAIR	V.P.(HR)	Rs.6,50,462/-	Master in Personal Management & Industrial Relations	16-Jan-17	20 yrs	52 yrs	MICR Electronics Ltd.	-

NOTES:

1. REMUNERATION INCLUDES PERQUISITES AND COMPANY'S CONTRIBUTION TO PROVIDENT FUND
2. THE NATURE OF EMPLOYMENT OF MR. ROHIT RELAN IS CONTRACTUAL. FOR THE REST OF EMPLOYEES, IT IS OTHER THAN CONTRACTUAL.
3. MR. ROHIT RELAN IS RELATED TO MRS SHARDA RELAN, DIRECTOR AND MR. AJAY RELAN, DIRECTOR OF THE COMPANY. OTHER THAN MR ROHIT RELAN, NONE OF THE ABOVE MENTIONED EMPLOYEE/ DIRECTOR IS RELATIVE OF ANY OTHER DIRECTOR/ MANAGER.

ANNEXURE VI

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, Chairman cum Managing Director	42.05
ii)	Mr. T. J. Chacko, Director (Operations)	17.53

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	Percentage Increase
i)	Mr. Rohit Relan, Chairman cum Managing Director	15%
ii)	Mr. T. J. Chacko, Director (Operations)	8%
iii)	Mr. Sanjeev Kumar, Chief Financial Officer	12%
iv)	Ms. Ritu Bakshi, Company Secretary	12%

- The percentage increase/ decrease in the median remuneration of employees in the financial year is 22 %.
- Total number of permanent employees on the rolls of company as on March 31st 2017 is 382.
- 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 2016-17	9%	8%

- Affirmation that the Remuneration is as per the remuneration policy of the company.

ANNEXURE VII
NOMINATION AND REMUNERATION POLICY OF BHARAT SEATS LIMITED

The Nomination and Remuneration Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

Objective:

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

Effective Date:

Policy is effective from FY 2014-15

Applicability:

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

Agenda before Nomination & Remuneration Committee:

- Whereas the Overall Company Performance is put up to the Committee for its input and review.
- Whereas the Brief Profile, Credentials and other details reflecting competence to carry out company business in efficient manner, for Directors are put to the Committee for its review
- Whereas the Remuneration Policy is put up to the Committee for its input, if any, to ensure that suitable remuneration is provided to employees to Retain and Attract Talent in the organization

Disclosure in Board's Report:

- Appointment , remuneration/ Increase in the Remuneration of Directors on Board
- Employee Strength on Permanent Rolls of the Company
- Relation in Company Performance & Remuneration Increase
- Affirmation that remuneration has been paid in accordance with Remuneration Policy
- Details of Employees, was in receipt of remuneration for that year, which in aggregate, was not less than Rupees Sixty lac
- Details of employees, if employed for part year and drawing salary not less than Rupees Five Lac per Month

Miscellaneous:

- Board of Directors on its own and/or as per the recommendations of Committee can amend the policy, as and when deemed fit
- Any changes in Performance Evaluation, Remuneration, Attracting, Retaining and Nurturing Talent Policy shall be brought to notice of Committee as and when required

Performance Evaluation Policy

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

Basic Principles:

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

Process of Performance Evaluation:

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



Outcome of Performance Evaluation Exercise

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

Remuneration Policy

- Remuneration is based upon Level, Responsibilities of the position and Performance of incumbent
- Remuneration is generally kept on 70 percentile of the market i.e. Tier 1 automotive companies to retain the talent and keep them motivated to establish high standards of individual performance
- Remuneration is divided into two parts i.e. Fixed Cost and Variable Pay, where Variable pay is ranging from 7 to 15% of Cost to Company (CTC) in various levels however it may go up to 20% in case of Director on Board
- Variable Pay is further divided into two parts
 - Company Performance Pay
 - Individual Performance Pay
- Payment of Variable Pay is dependent on Company Performance and Individual Performance against pre defined objectives
- Variable Pay depending on Company Performance varies from 20% to 50% of total Variable pay depending upon level of employee
- All Statutory benefits are extended to employees

Attracting, Retaining and Nurturing Talent Policy

Attracting Talent

- New Position availability is based on sanctioned strength/ replacement looking at three years rolling organization structure
- Competence Based Hiring for all positions
 - Job related
 - Behavioral
- Internal & External Sourcing for each position
- Minimum Three rounds of personal meeting/ panel interview takes place for Manager & above level positions
- Each member evaluate the interviewee on prescribed format against position specific competence
- Manager & above level positions are finalized with involvement of MD essentially

Retention & Nurturing of Talent

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

ANNEXURE VIII**Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

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

To,

The Board of Directors
Bharat Seats Limited
New Delhi

Dear Sirs

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Bharat Seats Limited ("The Company") as given in Annexure I, for the financial year ended on 31st March 2017, according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Regulations, 2009;

- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

2. Provisions of the following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the company under the Financial Year under report:-
 - a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
3. Provision of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment were not attracted to the Company under the financial year under report.
4. I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure II.

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the year under report, the Company has not undertaken any event / action having a major bearing

on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Nidhi Chawla & Associates
Company Secretaries

Nidhi Chawla
Proprietor
FCS : 6870
COP : 10276

New Delhi
20th April, 2017

Annexure I

List of documents verified

1. Memorandum and Articles of Association of the Company
2. Annual Report for the financial year ended 31st March, 2016
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and CSR Committee alongwith the Attendance Register held during the financial year under report.
4. Minutes of General Body meetings held during the financial year under report.
5. Statutory Registers viz.
 - Register of Directors & KMP with their shareholdings.
 - Register of charges
 - Register of Contracts
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. E-forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof to the Registrar of Companies and the Central Government during the financial year under report.
9. Intimations / documents / reports / returns filed with the Stock Exchange pursuant to the provisions of Listing Agreement during the financial year under report.
10. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines and for External Commercial Borrowings made by the Company.
11. Documents related to payments of dividend made to its shareholders during the financial year under report.

Annexure-II

List of applicable laws to the Company

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

Registered office:

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

Plants:

1. Plot No. 1, Maruti Udyog Joint Venture Complex, Gurgaon – 122015
2. Plot No. Musttil No. 226, Kila No. 7/1, Village Bhorakalan, Tehsil Farukhnagar, Gurgaon

3. Plot No. 26, Sector-3A, Maruti Supplier Park, IMT, Manesar, Gurgaon
4. Plot No.677, Sector 37, Pace City II, Gurgaon

Under the major Group and Head

1. Labour Laws
 - a. Factories Act, 1948
 - b. Industrial Disputes Act, 1947
 - c. The Payment of Wages Act, 1936
 - d. The Minimum Wages Act, 1948
 - e. Employees' State Insurance Act, 1948
 - f. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - g. The Payment of Bonus Act, 1965
 - h. The Payment of Gratuity Act, 1972
 - i. The Contract Labour(Regulation & Abolition) Act, 1970
 - j. The Industrial Employment (Standing Order) Act, 1946
 - k. The Employees' Compensation Act, 1923
 - l. Equal Remuneration Act, 1976
 - m. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 - n. The Apprentices Act, 1961
 - o. The Maternity Benefit Act, 1961
2. Environmental Laws
 - a. Water (Prevention and Control of Pollution) Act, 1974
 - b. Water (Prevention and Control of Pollution) Cess Act, 1977
 - c. Air (Prevention and Control of Pollution) Act, 1981
 - d. Environment Protection Act, 1986
 - e. The Public Liability Insurance Act, 1991
 - f. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
3. Industry Specific Laws
 - a. The Explosives Act, 1884
4. Direct and Indirect Tax Laws

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

India is on the way to transformation and despite the challenges, the overall outlook remains positive. The Indian manufacturing industry has great potential and is one of the biggest contributors to the GDP of the country. It is also one of the largest employment creators.

The long term prospects of India remain intact with its core strength of human resource, a strong base of entrepreneurs, and a robust and growing domestic demand.

Similarly, the automotive industry is also going through a significant change driven by needs of safety, fuel efficiency, sustainability and end customer preference.

INDUSTRY STRUCTURE AND DEVELOPMENT

The 'Make in India with Quality and Make in India for the World' are targeted to transform India into a manufacturing hub and a world leader. The automobile industry is working on the theme of 'Make Quality and Innovations in India', with an endeavour to strengthen its capabilities in new product development, improvement in quality and evolving technology in order to meet the Government's stricter emission and safety norms, upgrade people's skills to support domestic and global expansion of the OEMs and embrace digital technology in manufacturing to transform productivity, thus enabling the industry and India to become an attractive destination for investments.

Low cost is becoming a thing of the past, as that space is already crowded. India needs to focus on developing other competitive advantages in order to race ahead and therefore the priority in future would be to focus on Research and Development to maintain world class quality with zero defect and in process create greater returns.

OPPORTUNITIES AND THREATS

At present, the automotive components has adapted well to the changes in the policy, regulatory environment and the needs of the customers.

The introduction of Goods and Services Tax(GST) will establish uniform tax rate, enabling creation of 'One India Market'. It is expected to decrease the compliance burden and bring in efficiency in operations. Its effective implementation requires adequate capacity building of the tax administration.

MSIL alone makes 1.5 million family cars every year and

benefitted from economies of scale. Amid expectations of strong economic growth in the coming months, predictions of a normal monsoon and a surging stock market, Car sales begin in the new financial year in Top Gear. MSIL is increasing its production to meet demand.

BSL is engaged in developing seating systems for passenger Cars as well as Utility Vehicles, Moulded Floor Carpets, Extrusion Components for vehicle roof and windshield installation 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 the 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 refresh models for the seating system and started its supply for previously launched premium segment model "S-Cross" with iso-fix and Top Tether system ahead of new norms for child seat safety. The similar systems as add-ons are launched for Alto in export market. Besides this, R&D department has launched many minor programs termed as "Refresh" in current platforms like Wagon R and Ertiga.

Our R&D department is constantly on the look out to build scale and upgrade technology, innovation & lean technology.

OUTLOOK

In order to continue to remain the preferred supplier of customer, and keeping in mind the uniqueness of the product, your Company is laying immense emphasis on R&D's Process based approach to launch new products, with shorter development time, which will improve efficiency & cost as well as target Quality Excellence. Experts from our collaborators like Toyo Seats from Japan and M/s INOAC, from Japan for extrusion, frequently visit our production facility for Kaizen initiatives and people training.

Your Company is focussing on :

1. Technological Innovation
2. Lean Operations
3. Talent Management
4. Low cost procurement
5. Backward Integration

Bharat Seats is a TPM certified Company. To continue to improve and sustain the work done, we have restarted the initiative of the next level of this certification which is “Consistency award”.

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 a focus on cost, high quality product development and differentiation through Innovation. 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, imports and foreign currency loans. The company's sales and margins are subject to the market forces that affect Maruti Suzuki India Limited 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 the 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

The work culture at Bharat Seats is oriented at achieving higher performance. We lay emphasis on upgrading the skills and competencies of the existing talent pool to ensure quality. Horizontal deployment of training is also done for our Tier 1 and Tier 2 suppliers.

Our commitment to training is so high that a complete week during the holidays was dedicated as a “learning week”.

Bharat Seats as a proactive step and understanding the importance of fire prevention, has appointed a Safety Officer in compliance to Section 40-B of the Factories Act, 1948.

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, 2017)

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), hereinafter referred to as LODR Regulations 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, 2017, the Board of Directors consist of twelve Directors, with an Executive Chairman. There are two executive Directors of the Company, the Chairman

cum Managing Director and the Director(Operations). The remaining ten Directors are non-executive Directors, out of which six Directors are independent. There are two women non-executive Directors, one is Independent Woman Director and another one is Non-Independent. The number of Independent Directors is fifty percent of the total number of Directors .

Maruti Suzuki India Ltd., co-promoter and major customer of Bharat Seats Ltd., 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, Chairman cum Managing Director.

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

Details Directors, category of Directors, No. of other Directorship/ Committee membership held by them as on 31st March, 2017 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. ROHIT RELAN DIN: 00257572	CHAIRMAN CUM MANAGING DIRECTOR	PROMOTER/ EXECUTIVE/ NON-INDEPENDENT	2	5	-	-
2.	MR TOSHIYA MIKI DIN: 07505339	ADDITIONAL DIRECTOR	NOMINEE – SUZUKI MOTOR CORPORATION/ NON-EXECUTIVE/ NON-INDEPENDENT	2	-	-	-
3.	MRS SHARDA RELAN DIN: 00252181	ADDITIONAL DIRECTOR	PROMOTER/ NON-EXECUTIVE/ NON-INDEPENDENT	2	1	2	-
4.	MR AJAY RELAN DIN: 00257584	DIRECTOR	PROMOTER/ NON-EXECUTIVE/ NON-INDEPENDENT	2	4	-	-
5.	MR. C.V. RAMAN DIN: 07093663	DIRECTOR	NOMINEE – MARUTI SUZUKI INDIA LTD. NON-EXECUTIVE / NON-INDEPENDENT	1	-	-	-
6.	MR G.N. MEHRA DIN: 00059311	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	4	-	1	4
7.	MR PK. LAHIRI DIN: 00039653	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	1	-	-	-
8.	MR RAVINDRA GUPTA DIN: 01521168	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-

9.	MR KISHAN N. PARIKH DIN: 00453209	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	3	4	2	1
10.	MRS SHYAMLA KHERA DIN: 06929439	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-
11.	MR ARVIND VARMA DIN: 02225281	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-
12.	MR T. J. CHACKO DIN: 07005026	DIRECTOR(OPERATIONS)	EXECUTIVE/ NON-INDEPENDENT	-	-	-	-

NOTES:

The Committees considered for the purpose are those prescribed under 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 Public Limited 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 2016-17, the Board of Directors met four times on 15th April, 2016, 20th July, 2016, 17th October, 2016 and 20th Jan, 2017. 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*	1	N.A
MR. ROHIT RELAN	4	YES
MR. YOICHI KOJIMA**	2	YES
MR. AKIO SANO***	1	N.A
MR TOSHIYA MIKI****	1	N.A
MRS SHARDA RELAN*****	2	N.A
MR. AJAY RELAN	2	NO
MR. C.V. RAMAN	4	YES
MR. G.N. MEHRA	4	YES
MR. P.K. LAHIRI	4	YES
MR. KISHAN N. PARIKH	3	YES
MR. RAVINDRA GUPTA	4	YES
MRS. SHYAMLA KHERA	4	YES

MR. ARVIND VARMA	4	YES
MR. T. J. CHACKO	4	YES

- * Mr. N.D. Relan, Promoter and Chairman of your Company, passed away on 2nd June, 2016.
- ** Mr. Yoichi Kojima ceased to be a Director after the close of business hours on 20.07.2016, after withdrawal of nomination by Suzuki Motor Corporation, Japan.
- *** Mr. Akio Sano was appointed as an Additional Director w.e.f. 21.07.2016, as a nominee of Suzuki Motor Corporation, Japan, in place of Mr. Yoichi Kojima. Mr. Akio Sano resigned w.e.f. 19th January, 2017.
- **** Mr. Toshiya Miki was appointed as an Additional Director w.e.f. 20.01.2017, as a nominee of Suzuki Motor Corporation, Japan, in place of Mr. Akio Sano.
- ***** Mrs Sharda Relan was appointed as an Additional Director w.e.f. 20th July, 2016.

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 23rd March, 2017 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 Programmes for Independent Directors.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 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, 2016, 20th July, 2016, 17th October, 2016, 20th Jan, 2017 and 23rd March, 2017. 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 is 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	5	5
2	Mr. P. K. Lahiri	Non-Executive/ Independent Director	Member	5	5
3	Mr. Ravindra Gupta	Non-Executive/ Independent Director	Member	5	5
4	Mr. N. D. Relan	Non-Executive/Non-Independent Director	Member	5	1

Ms. Ritu Bakshi, Company Secretary acts as the Secretary of the Committee. The Chairman cum 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 15th April, 2016, 20th July, 2016, 20th January, 2017 and 23rd March, 2017. The composition of Nomination And Remuneration Committee is as follows:

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

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 re appointment of Mr. Rohit Relan as Managing Director, alongwith the terms of appointment , is as approved by the shareholders in the Annual General meeting held on 20th July, 2016, is from the period of five years: 1st October, 2016 to 30th September, 2021.

For approving the appointment and terms of appointment of Managing Director, the Nomination And Remuneration Committee and Board of Directors in their respective meetings on 15.04.2016, have approved the appointment and remuneration of Mr. Rohit Relan w.e.f. 1.10.2016. After the sad demise of Mr. N.D. Relan, Chairman of the Company, the Board, considered the wide experience and involvement of Mr. Rohit Relan in the Company, unanimously approved the appointment Mr. Rohit Relan as the Chairman of the Company.

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 re-appointment and terms and conditions of re-appointment of Director, (Operations), the Nomination And Remuneration Committee and Board of Directors in their respective meetings on 18th July, 2017, subject to the approval of shareholders, have

approved the re-appointment and terms and conditions of re appointment of Mr. T.J. Chacko, Director (Operations) w.e.f. 1.12.2017, for a period of two years from 1.12.2017 to 30.11.2019.

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	Past Chairman			120,000
Mr. Rohit Relan	Chairman cum Managing Director	Salary	9,600,000	
		Allowances & Perquisites	1,053,798	
		Contribution to P.F.	1,282,560	
		Total	11,936,358	-
Mr. Y.Kojima	Director		-	80,000
Mr. C.V. Raman	Director		-	160,000
Mr. Akio Sano	Director		-	40,000
Mr.Toshiya Miki	Director		-	40,000
Mrs Sharda Relan	Director		-	80,000
Mr. Ajay Relan	Director		-	80,000
Mr. G.N.Mehra	Director		-	760,000
Mr. P.K.Lahiri	Director		-	720,000
Mrs. Shyamla Khera	Director		-	400,000
Mr. Ravindra Gupta	Director		-	600,000
Mr. Kishan N. Parikh	Director		-	120,000
Mr. Arvind Varma	Director		-	360,000
Mr. T.J.Chacko	Director (Operations)	Salary	1,812,000	
		Allowances/ Perquisites/ Reimbursements	2,921,295	
		Contribution to P.F.	242,083	
		Total	4,975,378	

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, 2016, 20th July, 2016, 17th October, 2016 and 20th Jan, 2017.

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	1
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	1	1	-

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 2017.

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 20th January, 2017

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. G. N. Mehra	Non-Executive/ Independent Director	Member	1	1
3.	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
2016	20.07.2016	11 a.m.	Air Force Auditorium, New Delhi	Yes
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

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/ Financial Express, Free Press Journal-Mumbai and Hindi newspaper Veer Arjun/ Jansatta-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 30th Annual general meeting and forms part of the Corporate Governance Report.

(b) Annual General Meeting

Number of Annual General Meeting	30th Annual General Meeting
Date & Time	21 st September, 2017 at 11:00 a.m.
Venue	Air Force Auditorium, Subroto Park, New Delhi - 110010

(c) Financial Calender : 2017-18, 1st April, 2017 to 31st March, 2018

First Quarter Ended June, 2017	Before 2nd week of August, 2017
Second Quarter Ended September, 2017	Before 2nd week of November, 2017
Third Quarter Ended December, 2017	Before 2nd week of February, 2018
Year ended March, 2018	April, 2018

(d) Book Closure Dates

From 15th September, 2017 to 21st September 2017 (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 2017, 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 2016-2017 based upon BSE Price data is given below:

MONTH	BSE – HIGH	BSE - LOW	VOLUMES	BSE SENSEX
APRIL, 2016	40.8	35.1	288188	25606.62
MAY, 2016	40	35.55	182228	26667.96
JUNE, 2016	44.9	35.65	640605	26999.72
JULY, 2016	49.5	40.5	1227182	28051.86
AUGUST, 2016	45	40.5	298468	28452.17
SEPTEMBER, 2016	55.25	42.1	1090119	27865.96
OCTOBER, 2016	71.5	47.05	2123041	27930.21
NOVEMBER, 2016	65.9	45.05	666392	26652.81
DECEMBER, 2016	61	50.3	435209	26626.46
JANUARY, 2017	68.3	51.7	1070279	27655.96
FEBRUARY, 2017	73.5	63.1	724407	28743.32
MARCH, 2017	74.1	62.85	651388	29620.50

(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: 011-42541234
Fax: 011-41543474
E-Mail: rta@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 31.03.2017:

S.NO.	NO. OF SHARES HELD	NO. OF HOLDERS	PERCENTAGE OF HOLDERS(%)	HOLDING	PERCENTAGE OF HOLDING (%)
1.	UPTO 500	18817	89.18	897268	2.85
2.	501 TO 1000	1208	5.73	1118131	3.56
3.	1001 TO 5000	853	4.04	2104093	6.70
4.	5001 TO 10000	103	0.49	802646	2.56
5.	10001 TO 20000	60	0.28	886532	2.82
6.	20001 TO 30000	22	0.10	542859	1.73
7.	30001 TO 40000	7	0.03	236961	0.76
8.	40001 TO 50000	3	0.01	124130	0.40
9.	50001 TO 100000	9	0.04	670993	2.14
10.	100001 TO 500000	16	0.08	4465037	14.22
11.	500001 & ABOVE	4	0.02	19551350	62.26
	TOTAL	21102	100.00	31400000	100.00

(l) Shareholding pattern as on 31.03.2017:

S. No.	Category	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
1.	Promoters & Associate Companies :				
a.	Indian	16	0.08	18705458	59.57
b.	Foreign	1		4650000	14.81
2.	Non-Promoter Shareholding:				
a.	Indian Companies	213	1.01	669206	2.13
b.	Mutual Funds	1		1000	
c.	Financial Institutions	1		34000	0.11
d.	NRIs	71	0.34	105082	0.33
e.	Trust	1		56097	0.18
f.	Public	20798	98.57	7179157	22.87
	TOTAL	21102	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 31.03.17
1	Mr. Ajay Relan	317108
2	Mrs Sharda Relan	1251350
3	Mr. G.N.Mehra	20000
4	Mr. Kishan N.Parikh	8000

(n) Dematerialisation of Shares and liquidity

98.44% of the Equity Shares of the Company have been dematerialized as at 31st March'2017. 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).

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 st April, 2016		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, 2017	
	No. of records	No. of shares			No. of records	No. of shares
Equity Shares	79	100020	-	-	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 Borakalan, Gurgaon (Haryana)

3) Plant-III

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

4) Plant-IV

Plot No. 677 Sector 37 Pace City II, 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.41 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 Chairman cum 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(2) of the LODR Regulations, the Company duly places a Certificate on financial results, signed by Chairman cum Managing Director and Chief Financial Officer of the Company before the Board of Directors, on quarterly basis. The annual certificate in terms of Regulations 17(8) of the LODR Regulations forms part of this report.

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: 2016-17

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, 2017.

For Bharat Seats Limited

(Rohit Relan)
Chairman cum Managing Director

CEO / CFO Certification

To
The Board of Directors
Bharat Seats Limited

As provided under Regulation 17(8) of the SEBI(Listing Obligations And Disclosure Requirements) Regulations, we certify the following to the Board that for the year ended 31st March, 2017 :

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee :
- (1) that there have been no changes in internal control over financial reporting during the year;
 - (2) that there have been significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) There were no instances of fraud of which we have become aware.

For Bharat Seats Limited

Rohit Relan
Chairman cum Managing Director

For Bharat Seats Limited

Rajat Bhandari
Sr. V.P. (Strategic Planning)

For Bharat Seats Limited

Sanjeev Kumar
Chief Financial Officer

Dated : 20th April, 2017



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Bharat Seats Limited

We have examined the compliance of conditions of Corporate Governance by the Company for the year ended 31st March, 2017 as stipulated under Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of 46, para C, D and E of Schedule V and any other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with the relevant records/documents maintained by the Company furnished to us for our review and report on Corporate Governance as approved by the Board of Directors.

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

In our opinion and to the best of our information and according to the explanations given to us and representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the company nor of 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 : 18th July, 2017

Independent Auditors' Report

To The Members of Bharat Seats Limited

Report On the Financial Statements

We have audited the accompanying Ind AS financial statements of Bharat Seats Limited ('the Company') which comprises the balance sheet as at 31st March, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity 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(11) of the Act, we give in "Annexure – A" 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, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, 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"; and
- 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 Ind AS financial statements- Refer Note 26 to the Ind AS 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 indian 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; and
 - iv) the Company has provided requisite disclosure in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. And on the basis of information & explanation provided these are in accordance with the books of accounts maintained by the Company. Refer Note 54(v) to the Ind AS financial statements.

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

(Neeraj Bansal)
Partner
Membership No. 95960

Place : New Delhi
Date : 20th April, 2017

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,

- | | |
|--|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(c) The title deed of immovable property is held in the name of the company.</p> <p>(ii) (a) The inventories of the Company have been physically verified by the management during the year.</p> <p>(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.</p> <p>(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.</p> <p>(iii) As per the information and explanation given to us and on the basis of our examination of the records, the Company has not given interest free unsecured mobilization advance against procurement of materials/ tooling during the year to a Company covered in the register maintained under section 189 of the Companies Act, 2013.</p> <p>(iv) As per the information and explanation given to us and on the basis of our examination of the</p> | <p>records, the Company does not have any loans, investments, guarantees and security under Section 185 and 186 of the Companies Act, 2013.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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: -</p> |
|--|--|

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)

- (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 41(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.
- (xvi) 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 : 20th April, 2017

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 Company Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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 act.

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 judgment, 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 Ind AS 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 observations on Internal Financial Control Report along with annexures, the Company has, in all 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, 2017, based on "the internal control over financial reporting system & 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

Neeraj Bansal
Partner

Place : New Delhi
Date : 20th April, 2017

Membership No. 95960

BALANCE SHEET AS AT 31ST MARCH 2017

Rs. in Lakhs

Particulars	Note No.	As At 31st March 2017	As At 31st March 2016	As At 01st April 2015
I Assets				
1 Non-current assets				
(a) Property, plant and equipment	5	14,431.74	14,376.71	14,948.61
(b) Capital work-in-progress	6	46.60	119.08	309.58
(c) Intangible assets	5	143.89	58.92	55.21
(d) Financial assets - others	7	53.84	43.60	47.60
(e) Other non current assets	8	263.64	45.24	1,006.58
(f) Income tax assets (Net)	9	10.25	63.33	51.44
		<u>14,949.96</u>	<u>14,706.88</u>	<u>16,419.02</u>
2 Current assets				
(a) Inventories	10	1,537.84	1,441.27	1,157.83
(b) Financial assets				
i) Trade receivables	11	9,416.14	8,281.39	7,675.51
ii) Cash and cash equivalents	12	26.89	10.39	13.20
iii) Bank balances other than(ii) above	13	88.69	83.30	77.50
(c) Other current assets	14	481.19	481.33	566.21
		<u>11,550.75</u>	<u>10,297.68</u>	<u>9,490.25</u>
Total Assets		<u>26,500.71</u>	<u>25,004.56</u>	<u>25,909.27</u>
II Equity and Liabilities				
Equity				
(a) Equity share capital	15	628.00	628.00	628.00
(b) Other equity	16	5,585.88	4,716.29	4,340.86
		<u>6,213.88</u>	<u>5,344.29</u>	<u>4,968.86</u>
Liabilities				
1 Non-current liabilities				
(a) Financial liabilities:				
Borrowings	17	1,960.67	2,213.31	3,803.36
(b) Provisions	18	131.58	108.74	77.44
(c) Deferred tax liabilities (net)	19	699.99	589.89	529.25
(d) Other non current liabilities	20	9.08	21.50	808.75
		<u>2,801.32</u>	<u>2,933.44</u>	<u>5,218.80</u>
2 Current liabilities				
(a) Financial liabilities				
i) Borrowings	21	3,061.52	3,152.34	3,001.50
ii) Trade payables	22	11,253.25	9,982.62	9,174.12
iii) Other financial liabilities	23	2,995.88	3,419.28	3,336.59
(b) Other current liabilities	24	126.74	129.71	188.84
(c) Provisions	25	48.12	42.88	20.56
		<u>17,485.51</u>	<u>16,726.83</u>	<u>15,721.61</u>
Total equity and liabilities		<u>26,500.71</u>	<u>25,004.56</u>	<u>25,909.27</u>

Significant accounting policies

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

NEERAJ BANSAL

Partner

Membership No. 095960

For and on behalf of the Board of Directors

ROHIT RELAN

Chairman cum Managing Director

T.J. CHACKO

Director (Operations)

Place : New Delhi

Dated : 20th April, 2017

RITU BAKSHI

Company Secretary

SANJEEV KUMAR

Chief Financial Officer

RAJAT BHANDARI

Sr. Vice President (Strategic Planning)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

		Rs. in Lakhs	
Particulars	Note No.	Year Ended 31st March 2017	Year Ended 31st March 2016
I. Revenue from operations	27	93,260.18	79,313.69
II. Other income	28	207.95	219.88
III. Total income (I + II)		93,468.13	79,533.57
IV. Expenses:			
Cost of materials consumed	29	71,933.37	60,784.09
Purchases of stock-in-trade	30	60.61	31.24
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	27.56	(101.82)
Employee benefits expense	32	2,079.83	1,826.32
Finance costs	33	447.12	537.96
Depreciation and amortization expense	34	1,710.34	1,653.45
Excise duty		10,736.69	9,330.10
Other expenses	35	4,790.62	4,488.20
Total expenses		91,786.14	78,549.54
V. Profit before tax (III-IV)		1,681.99	984.03
VI. Tax expense:			
Current tax	36	425.20	231.30
MAT credit entitlement		-	-
Net current tax expense		425.20	231.30
MAT credit entitlement earlier years		(73.05)	
Deferred tax	37	112.53	31.13
		464.68	262.43
VII. Profit for the period (V - VI)		1,217.31	721.60
Other comprehensive income			
i) Items that will not to be reclassified to profit or loss:			
Remeasurement of the net defined benefit liability/ asset		(8.41)	(9.03)
Income tax relating to items that will not be reclassified to profit or loss		0.82	2.99
ii) Items that will be reclassified to profit or loss:		-	-
Total other comprehensive income for the year, net of taxes		(7.59)	(6.04)
Total comprehensive income for the year		1,209.72	715.56
VIII. Earnings per equity share of Rs. 2 each:			
(1) Basic	38	3.88	2.30
(2) Diluted	38	3.88	2.30
Significant accounting policies	3		
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

NEERAJ BANSAL
Partner
Membership No. 095960

Place : New Delhi
Dated : 20th April, 2017

RITU BAKSHI
Company Secretary

For and on behalf of the Board of Directors

ROHIT RELAN
Chairman cum Managing Director

T.J. CHACKO
Director (Operations)

SANJEEV KUMAR
Chief Financial Officer

RAJAT BHANDARI
Sr. Vice President (Strategic Planning)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Rs. in Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A. Cash flow from operating activities:		
Profit before tax	1,681.99	984.03
Adjustments for :		
Depreciation	1,710.34	1,653.45
Loss(+)/Profit (-) on sale of fixed assets/assets written off	29.33	26.48
Other comprehensive income		
Interest expense	447.12	537.96
Interest received on fixed deposits	-	-
Operating Cash Flow before Working Capital Changes	3,868.78	3,201.92
Adjustments for changes in working capital :		
(Increase)/decrease in inventories	(96.57)	(283.44)
(Increase)/decrease in trade & other receivables	(1,134.75)	(605.88)
(Increase)/decrease in loans & advances	(228.47)	1,050.23
Increase/(decrease) in trade & other payables	1,722.55	230.59
Increase/(decrease) in provisions	28.08	53.62
Cash generated from operating activities	4,159.62	3,647.03
Direct taxes paid	(300.67)	(210.69)
Net cash from operating activities	3,858.95	3,436.34
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(1,659.97)	(631.65)
Net cash from/(used in) investing activities	(1,659.97)	(631.65)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long term borrowings & its current maturity	1,000.00	500.00
Repayment of Long Term Loan	(2,309.49)	(2,575.65)
Proceeds from Short Term borrowings	(90.82)	150.83
Dividend Paid	(282.60)	(282.60)
Corporate Dividend Tax	(57.53)	(57.53)
Interest Paid	(438.14)	(538.12)
Net Cash from Financing Activities	(2,178.58)	(2,803.06)
Net Increase(+)/Decrease (-) in cash and bank balances (A+B+C)	20.39	1.63
Cash and Bank balances as at April 1st (Opening)	76.54	74.91
Cash and Bank balances as at March 31st (Closing)	96.93	76.54
Reconciliation		
Cash and Bank balances as per Balance Sheet (refer note 12 & 13)	115.58	93.69
Less: Unpaid dividend current account with Banks	18.65	17.15
Net Cash and Bank balances as at March 31st (Closing)	96.93	76.54

Note: The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 statement of cash flows.

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

NEERAJ BANSAL
 Partner
 Membership No. 095960

For and on behalf of the Board of Directors

ROHIT RELAN
 Chairman cum Managing Director

T.J. CHACKO
 Director (Operations)

Place : New Delhi
 Dated : 20th April, 2017

RITU BAKSHI
 Company Secretary

SANJEEV KUMAR
 Chief Financial Officer

RAJAT BHANDARI
 Sr. Vice President (Strategic Planning)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017
A Equity Share Capital
(Rs. in lakhs)

Balance as at 01st April, 2016	Changes in equity share capital during the year	Balance as at 31st March 2017
628.00	-	628.00

Balance as at 01st April, 2015	Changes in equity share capital during the year	Balance as at 31st March 2016
628.00	-	628.00

B Other Equity (Refer Note No.16)

Particulars	Reserves & Surplus			OCI	Total
	Capital Reserve	General Reserve	Retained Earnings		
Balance as at 01st April,2016		3,950.73	771.60	(6.04)	4,716.29
Remeasurement of the net defined benefit liability/ assets net of tax	-	-		(7.59)	(7.59)
(+) Net profit for the current year			1,217.31		1,217.31
Dividend paid during the year	-	-	(282.60)		(282.60)
Tax on dividend paid during the year	-	-	(57.53)		(57.53)
Balance as at 31st March, 2017	-	3,950.73	1,648.78	(13.63)	5,585.88
Balance as at 01st April,2015	-	3,950.73	390.13	-	4,340.86
					-
Remeasurement of the net defined benefit liability/ assets net of tax					-
(+) Net Profit for the current year			721.60	(6.04)	715.56
Dividend paid during the year	-	-	(282.60)		(282.60)
Tax on dividend paid during the year	-	-	(57.53)		(57.53)
Balance as at 31st March, 2016	-	3,950.73	771.60	(6.04)	4,716.29

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

ROHIT RELAN
Chairman cum Managing Director

T.J. CHACKO
Director (Operations)

Place : New Delhi
Dated : 20th April, 2017

RITU BAKSHI
Company Secretary

SANJEEV KUMAR
Chief Financial Officer

RAJAT BHANDARI
Sr. Vice President (Strategic Planning)

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate and general information of the Company

Bharat Seats Limited is a limited company incorporated in India under Companies Act, whose shares are publically traded at Bombay Stock Exchange (BSE). The registered office of the Company is located at D-188, Okhla Industrial Area, Phase I, New Delhi-110020. The Company is a joint venture of Suzuki Motor Corporation-Japan, Maruti Suzuki India Ltd. and M/s Rohit Relan and Associates for the manufacture of complete seating system and interior component for the automotive and surface transport.

The financial statements are approved for issue by the Company's Board of Directors on 20th April, 2017.

2. Basis of preparation

The financial statement of the Company has been prepared in accordance with the Indian accounting standards (Ind AS) notified under the Companies (Indian Accounting Standard), Rules 2015, as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016 and other relevant provisions of the Companies Act, 2013.

For all periods upto and including the year ended 31st March, 2016, the financial statements are prepared in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year beginning on 1 April, 2016 are the first financial statement prepared in accordance with Ind AS and the adoption was carried out in accordance with Ind AS-101 First time adoption of Indian Accounting Standards. To prepare these financial statements, opening balance sheet was prepared as at 1 April, 2015, the date of transition to Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in Note 53. The details of the first time adoption exemptions availed by the Company is given in Note 52.

The financial statement has been prepared considering all Ind AS.

These financial statements have been prepared under the historical cost convention on the accrual basis, and certain financial instruments

are measured at fair value, as explained in accounting policies.

The preparation of financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions that affects the application of accounting policies and reported amount of assets, liabilities, income and expenses and the disclosures of the contingent assets and liabilities at the date of financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to estimate is recognised prospectively in current and future periods.

3. Significant accounting policies

3.1 Property, plant and equipment

On transition to Ind AS, the Company has adopted optional exemption under Ind AS-101 and elected to continue with the carrying value of all its property, plant and equipment as recognised in the financial statement at the date of transition i.e. 1st April, 2015, measured as per the previous GAAP and use that as its deemed cost as at the transition date, (refer note no- 52(a)(i)).

Property, plant and equipment are carried at cost (net of CENVAT, wherever applicable), less accumulated depreciation and accumulated impairment, if any. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

Such cost includes the cost of replacing the part of the plant and equipment and borrowing costs for long-term projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

An item of property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Capital work in progress includes cost of property, plant and equipment under installation/ under construction as at the balance sheet date.

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility can be demonstrated, future economic benefits are probable, the Company has intention and ability to complete and to use or sell the product and cost can be measured reliably. The equipment

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 method	20	10
01.04.2005 onwards	Straight line method	20	10

2. Plant & machinery:

Assets put to use	Method	Estimated useful life (years)	Useful life as per Companies Act, 2013 (years)
upto 31.03.2005	Written down value method	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.

cost including any other installation charges is capitalized.

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 ready to use on or after 1st April 2005 after considering five percent residual value.

However electrical fittings 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:

3.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at its cost less any accumulated amortization and impairment.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful life are not amortised but tested for impairment by comparing its recoverable amount with its carrying amount annually and whenever there is an indication that the intangible assets may be impaired.

3.3 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment. An asset is considered to be impaired if evidence indicates that one or more events have had a negative impact on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

For intangible assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money

and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

If the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount, an impairment loss is recognised in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

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

3.4 Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. When acquired, such assets are capitalized at fair value of the leased property or present value of minimum lease payments, at the inception of lease, whichever is lower.

Other leases are operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised over the lease term on the straight line basis

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

As a lessee

Leases in which significant portions of risks and reward of ownership are not transferred to the Company as lessee are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of

transition in accordance with Ind AS 101 “First time adoption of Indian Accounting Standards”.

3.5 Foreign exchange transactions

These financial statements are presented in Indian rupees (INR), which is the Company’s functional currency.

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

Monetary items (i.e. receivables, payables, loans etc.) denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. The gain or loss resulting from translation/settlement are recognised in the statement of profit and loss except the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded in so far as they relate to the acquisition of depreciable capital assets are shown by addition to/deduction from the cost of the assets as per exemption provided under IND AS 21 read along with Ind AS 101 appendix ‘D’ clause-D13AA.

Non-monetary items denominated in foreign currencies and measured at historical cost are translated at exchange rate prevalent at the date of the initial transaction.

3.6 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to revenue in the period in which it is incurred except loan processing fees which is recognised as per Effective Interest Rate method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.7 Inventories

Inventories are valued at lower of cost or net realizable value.

The cost of inventories is based on first-in-first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing the inventories to their present location

and condition. In case of finished goods and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Traded goods are valued at cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Valuation of finished goods includes excise duty thereon.

3.8 Cash and cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and demand deposits with banks which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Employees Retirement Benefits

Retirement benefits in the form of Provident fund / Pension Schemes are defined contribution schemes and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds become due. The Company has no obligation other than contribution payable to these funds.

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 has taken a policy with 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.

Provision for leave encashment is accrued for and provided for, in case of accumulating compensated absences, on the basis of an actuarial valuation made at the end of each financial year. Expenses on non-accumulating compensated absences are recognised in the period in which absences occurs.

Actuarial gains and losses for defined benefit plans are recognised through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Expenses incurred on voluntary retirement of employees are charged off to the Profit & Loss Account in the year of occurrence.

3.10 Fair Value Measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair

value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.11 Financial Instruments

3.11.1 Initial recognition and measurement:

The company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value at initial recognition, plus or minus, any transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss.

3.11.2 Subsequent Measurement

Non-derivative financial instruments

- **Debt instrument at amortised cost**

A debt instrument is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Debt instrument at fair value through other comprehensive income**

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Debt instrument at fair value through**

- **profit or loss**

A debt instrument which is not classified in any of the above categories are subsequently fair valued through profit or loss.

- **Equity instrument at fair value through profit or loss**

The equity instrument, if any, will be subsequently fair valued through profit or loss or other comprehensive income after analysing the underlying facts.

3.11.3 Impairment of Financial Assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to be recognised as an impairment gain or loss is recognised in the statement of profit and loss.

3.11.4 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

3.11.5 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the

reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.11.6 Financial liabilities

Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. These are subsequently carried at amortised cost using the effective interest method or fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

3.11.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.12 Revenue Recognition

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually defined terms of payment, net of returns and allowances, trade discounts and volume rebates, excluding taxes or duties collected on behalf of the government. Revenue is inclusive of excise duty.

Revenue is recognised only when all the significant risk and reward of the ownership is transferred to the buyer usually on delivery of the goods. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity, revenue can be reliably measured and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Interest income

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate (EIR). EIR is the

rate that exactly discounts the estimated future cash flows over the expected life of financial instrument, to the net carrying amount of the financial assets or to the amortised cost of the financial liability. Interest income is included in other income in the statement of profit and loss.

Lease income

Rental income arising from operating leases on properties held by the Company is accounted for on a straight line basis over the lease terms and is included in revenue in the statement of profit and loss under the head other income.

3.13 Taxes

Income Tax expense comprises of current tax and deferred tax (including MAT). 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.

Current Tax

Current tax is computed for income calculated after considering allowances and exemptions under the provisions of applicable Income Tax Laws.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises 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 recognises 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 Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are

measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed as at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will not be available against which deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3.14 Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders 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.

3.15 Contingent Liabilities, Contingent Assets & Provisions

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

Contingent liabilities, if material, are disclosed by way of notes and contingent asset, if any, is disclosed in the notes to financial statements. A provision is recognised, when an enterprise has a present obligation (legal or constructive) 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. The expense relating to the provision is presented in the profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

3.17 Government Grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grant related to depreciable property, plant and equipments are treated as deferred income and are allocated to income over the period and in the proportion in which depreciation on those assets is charged. Revenue grants are recognised as an income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.18 Current versus non – current classification

The Company present assets and liabilities in the Balance Sheet based on current and non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, of Companies Act, 2013 as notified by MCA.

4. Critical accounting estimates and judgments:

The areas involving critical estimates and judgments are:

i) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team. The Company believes that the derived useful life best represents the period over which the Company expects to use these assets.



ii) Intangible Assets

Intangible assets comprises of licenses for accounting and other softwares having perpetual life unless any technological obsolescence observed. Hence taken as having indefinite useful life.

iii) Contingent liabilities

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Operating lease commitments – Company as lessor

The Company has entered into commercial property leases on its property. The Company has determined that:

- the lease term is not for a major part of the economic life of the commercial property,
- lease payments does not cover substantially the fair value of the asset,
- Company retains all the significant risks and rewards of ownership of these properties,
- leased assets are not of a specialized nature.

Hence the contract has been considered as operating leases.

As leased portion does not constitute a significant portion of the property, hence Ind AS 40- “Investment property” is not considered (for detail refer note no.47).

Company as lessee:

Company is operating its Gurgaon and Manesar plant over a leasehold land obtained from Maruti Suzuki India Ltd. While reviewing terms and conditions of lease agreement it is identified that, present value of minimum

guaranteed lease payments does not covers substantially the fair value of asset, lease is not for major economic life of assets, there is no transfer of ownership at end and no option is given to lessee to purchase asset at end of lease period at low cost, hence it is treated as land lease (for detail refer note no.47).

v) Taxes

Deferred tax assets are recognised for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

vi) Defined benefit plans (gratuity and leave encashment)

The cost of the defined benefit gratuity plan and leave encashment benefit and their present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The most sensitive is discount rate. Future salary increases and gratuity increases are based on expected future inflation rates.


5. Property, Plant & Equipment and Intangible Assets: 2016-17 (refer note no. 3.1, 3.2, 3.3 & 50)

(Rs. in lakhs)

Particulars	Gross carrying value				Depreciation / Impairment			Net carrying value	
	Balance as at 1st April 2016	Additions	Disposals	Other adjustments**	Balance as at 31st March 2017	Depreciation for the period	Disposals	Balance as at 31st March 2017	Balance as at 31st March 2016
Land free hold	211.09	-	-	-	211.09	-	-	211.09	211.09
Land lease hold	39.41	-	-	-	39.41	3.40	-	20.42	23.82
Building (on freehold land)	1,752.60	9.20	-	16.87	1,778.67	56.63	-	1,490.84	1,521.40
Building (on leased land)	4,748.39	-	-	22.90	4,771.29	144.97	-	3,941.09	4,063.15
Plant and equipment	14,640.40	1,265.70	129.45	134.46	15,911.11	1,324.04	91.93	6,981.68	6,943.08
Furniture and fixtures	160.80	18.21	-	4.18	183.19	8.69	-	67.19	53.49
Vehicles	261.95	72.84	102.12	-	232.67	25.67	46.15	131.33	140.13
Office equipment	77.40	18.80	1.81	-	94.39	9.71	1.18	38.48	30.02
Computers	225.57	24.82	-	-	250.39	23.19	-	57.27	55.64
Electrical fittings	1,004.14	181.50	-	0.36	1,186.00	45.95	-	891.40	755.49
Total	23,121.75	1,591.07	233.38	178.77	24,658.21	1,642.25	139.26	10,827.42	13,797.32
Research & development (R&D)									
Building	20.69	-	-	-	20.69	0.65	-	5.84	15.50
Plant and equipment	952.69	9.14	-	1.15	962.98	55.07	-	471.82	516.60
Furniture and fixtures	35.04	14.27	3.43	-	45.88	3.47	3.26	20.70	14.55
Office equipment	29.43	-	1.73	-	27.70	5.35	0.92	17.47	23.63
Computers	84.44	66.07	2.15	-	148.36	2.89	2.15	64.23	1.06
Electrical fittings	13.74	-	-	-	13.74	0.66	-	7.40	8.06
Intangible assets R&D									
Software	-	83.63	-	-	83.63	-	-	83.63	-
Total	1,136.03	173.11	7.31	1.15	1,302.98	68.09	6.33	618.40	579.39
Intangible assets others									
Software	96.18	-	-	1.34	97.52	-	-	37.26	58.92
Total	96.18	-	-	1.34	97.52	-	-	37.26	58.92
Grand Total	24,353.96	1,764.18	240.69	181.26	26,058.71	1,710.34	145.59	11,483.08	14,435.63

**Foreign exchange capitalised Rs. 147.24 lakhs/- includes Rs. 147.24 lakhs incurred during the year and Rs. Nil recognised in capital work in progress in the earlier years as per exemption allowed under IND-AS 21 read along with IND-AS 101 appendix 'D' clause- D13AA.

**Borrowing cost capitalised Rs.34.02 lakhs as per IND-AS 23 includes Rs. 28.93 lakhs incurred during the year and Rs. 5.09 lakhs recognised in capital work in progress in the earlier years.



5. Property, Plant & Equipment and Intangible Assets: 2015-16

(Rs. In Lakhs)

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 for the period	Disposals	Balance as at 31st March 2016	Balance as at 31st March 2015
Land free hold	211.09	-	-	-	211.09	-	-	-	211.09	211.09
Land lease hold	39.41	-	-	-	39.41	12.19	3.40	-	15.59	27.22
Building (on freehold land)	1,697.11	21.11	-	34.38	1,752.60	176.67	54.53	-	231.20	1,520.44
Building (on leasehold land)	4,664.62	17.61	-	66.16	4,748.39	543.44	141.78	-	685.23	4,121.18
Plant and equipment	13,905.70	571.45	12.92	176.17	14,640.40	6,409.62	1,293.55	5.84	7,697.32	7,496.08
Furniture and fixtures	141.72	11.73	-	7.35	160.80	98.14	9.16	-	107.31	43.58
Vehicles	331.20	9.38	78.63	-	261.95	125.81	30.49	34.48	121.82	205.39
Office equipment	62.60	14.80	-	-	77.40	38.43	8.94	-	47.38	24.17
Computers	195.96	29.61	-	-	225.57	149.13	20.80	-	169.93	46.83
Electrical fittings	967.50	35.95	-	0.69	1,004.14	202.86	45.79	-	248.65	764.64
Total	22,216.91	711.64	91.55	284.75	23,121.75	7,756.29	1,608.44	40.32	9,324.44	14,460.62
Research & development (R&D)										
Building	20.69	-	-	-	20.69	4.54	0.65	-	5.19	16.15
Plant and Equipment	845.31	103.67	-	3.71	952.69	401.70	34.39	-	436.09	443.61
Furniture and Fixtures	33.51	1.53	-	-	35.04	15.57	4.92	-	20.49	17.94
Office equipment	3.00	26.43	-	-	29.43	1.39	4.41	-	5.80	1.61
Computers	84.44	-	-	-	84.44	83.39	-	-	83.39	1.05
Electrical fittings	12.67	1.07	-	-	13.74	5.04	0.64	-	5.68	7.63
Total	999.62	132.70	-	3.71	1,136.03	511.63	45.01	-	556.64	487.99
Intangible assets others										
Software	92.47	1.82	-	1.89	96.18	37.26	-	-	37.26	55.21
Total	92.47	1.82	-	1.89	96.18	37.26	-	-	37.26	55.21
Grand Total	23,309.00	846.16	91.55	290.35	24,353.96	8,305.18	1,653.45	40.32	9,918.34	15,003.82

**Foreign exchange capitalised Rs. 289.62 lakhs includes Rs.279.83 lakhs incurred during the year and Rs. 9.79 lakhs recognised in capital work in progress in the earlier years as per exemption allowed under IND-AS 21 read along with IND-AS 101 appendix 'D' clause- D13AA.

**Borrowing cost capitalised Rs.0.72 lakhs as per IND-AS 23 includes Rs. 0.72 lakhs incurred during the year and Rs. nil recognised in capital work in progress in the earlier years.

NOTES TO FINANCIAL STATEMENTS
6. Capital work - in - progress

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
Capital work in progress			
Opening cost	119.08	309.58	393.49
Addition during the year*	46.60	119.08	309.58
Deduction & adjustment	(119.08)	(309.58)	(393.49)
Total	46.60	119.08	309.58

*Current year addition includes Rs. Nil (previous year 2015-16 Rs. Nil & 2014-15 deduction of Rs. 9.79 lakhs) on account of foreign exchange fluctuation & Rs. Nil (previous year 2015-16 Rs. 5.09 lakhs & 2014-15 Rs. 10.82 lakhs) on account of borrowing cost.

7. Financial assets

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
Security deposits	53.84	43.60	47.60
	53.84	43.60	47.60

8. Other non current assets

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
Capital advances	263.64	45.24	1,006.58
	263.64	45.24	1,006.58

9. Income tax assets

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
Prepaid income tax	367.08	262.12	286.39
Less: Provision for taxation	(425.20)	(231.30)	(234.95)
Add: MAT credit availed	68.37	32.51	-
	10.25	63.33	51.44

10. Inventories

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
Raw materials and components	1,065.40	871.70	776.82
Raw material in transit	-	43.66	-
Work-in-progress	124.58	75.74	66.45
Finished goods	174.85	263.23	153.32
Stock-in-trade	3.37	1.45	4.98
Stores and spares	169.14	184.99	155.76
Scrap	0.50	0.50	0.50
Total	1,537.84	1,441.27	1,157.83

11. Trade receivables (unsecured, considered good)

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
Unsecured considered good*	9,416.14	8,281.39	7,675.51
Total	9,416.14	8,281.39	7,675.51

12. Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
-Bank balances in current account	24.85	8.04	8.96
-Cash on hand	2.04	2.35	4.24
Total	26.89	10.39	13.20

13. Bank balances other than above

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
- Fixed deposit account	70.04	66.15	61.71
- Unclaimed dividend accounts	18.65	17.15	15.79
Total	88.69	83.30	77.50

14. Other current assets (unsecured, considered good)

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As At 01st April 2015
Balance with excise & customs authorities	334.97	288.98	250.83
Prepaid expenses	14.65	18.34	17.91
Prepaid insurance	32.51	30.95	37.23
Advances given to suppliers	99.06	143.06	260.24
Total	481.19	481.33	566.21

15. Equity share capital

(Rs. in lakhs)

Particulars	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Number	Amount	Number	Amount	Number	Amount
Authorised Equity shares of 2/- each	35,000,000	700.00	35,000,000	700.00	35,000,000	700.00
	35,000,000	700.00	35,000,000	700.00	35,000,000	700.00
Issued ,subscribed & fully paid up Equity shares of 2/- each						
Opening	31,400,000	628.00	31,400,000	628.00	31,400,000	628.00
Additions	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
Closing	31,400,000	628.00	31,400,000	628.00	31,400,000	628.00
Total	31,400,000	628.00	31,400,000	628.00	31,400,000	628.00

15.1 The rights, preferences and restrictions attached 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 2017, the amount of per share dividend recognized as distributions to Equity Shareholders is Re 0.90/- (31st March 2016 : Re 0.90). The total dividend recommended for the year ended 31st March 2017 amounted to Rs.340.13 lakhs (Rs.340.13 lakhs) including corporate dividend tax of Rs.57.53 lakhs (Rs.57.53 lakhs). 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.

15.2 Shareholders holding more than 5% shares:

(Rs. in lakhs)

Name of Shareholder	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Maruti Suzuki India Limited	4650000	14.81	4650000	14.81	4650000	14.81
Suzuki Motor Corporation, Japan	4650000	14.81	4650000	14.81	4650000	14.81
Sharda Motor Industries Ltd.	9000000	28.66	9000000	28.66	9000000	28.66
Total	18300000	58.28	18300000	58.28	18300000	58.28

16. Other equity

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Capital reserves	-	-	-
General reserve			
Opening balance	3,950.73	3,950.73	3,478.86
(+) Current year transfer from profit & loss A/c	-	-	471.87
Closing balance	3,950.73	3,950.73	3,950.73
Other comprehensive income	(13.63)	(6.04)	-

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Closing balance	(13.63)	(6.04)	-
Balance as at the beginning of the year of profit or loss	771.60	390.13	343.89
(+) Net profit for the current year	1,217.31	721.60	812.00
(-) Dividends	1,988.91	1,111.73	1,155.89
(-) Corporate dividend tax	282.60	282.60	251.20
(-) Transfer to general reserve	57.53	57.53	42.69
(-) Transfer to general reserve	-	-	471.87
Closing balance	1,648.78	771.60	390.13
Total	5,585.88	4,716.29	4,340.86

17. Borrowings

(Rs. in lakhs)

Particulars	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
Term loans -from banks	786.92	13.75	898.75	154.56	2,882.98	260.38
Loans and advances from related parties		1,160.00	-	1,160.00		660.00
Total	786.92	1,173.75	898.75	1,314.56	2,882.98	920.38
Grand total		1,960.67		2,213.31		3,803.36

17.1 The requisite particulars in respect of secured borrowings are as under:

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015	Particulars of security / guarantees / terms of repayment / default
Loan 1				
Balance outstanding	-	300.48	743.81	Particulars of security: Primary security-exclusive first charge on specific machineries/ equipments valued Rs. 39,31,00,000/-, collateral security-extension of first charge on the entire fixed assets of the Company. Equitable mortgage on the Company's property has been created for the balance due. Terms of repayment: The period of loan is 5 years, sanctioned on 28.03.2011, repayable in 60 monthly installments had been converted into FCNR(B) term loan on 11.10.2012 with following repayment schedule for balance amount on that date: USD 61,238.84 * 48 months USD 61,238.91 * 01 month Rate of interest 450 bps above six month USD LIBOR
Current maturity	-	300.48	446.28	
Non - current amount	-	-	297.53	



Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015	Particulars of security / guarantees / terms of repayment / default
Loan 2				
Balance outstanding	356.96	1,520.57	2,667.34	Particulars of security: 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 Borakalan registered in the name of the Company Terms of repayment: Period of loan is 60 months(20 quarters) with first installment falling due for payment in December,2012 as per detail given below: USD 214,014.49*3 quarters USD 403,415.33*4 quarters USD 473,492.15*12 quarters USD 111,755.68*1 quarters Rate of interest is 450 bps above 6 month USD LIBOR Initial Rupee loan had been converted in FCNR(B) Term loan w.e.f. 11.10.2012 for USD 6,536,196.08 & 22.10.2012 for USD 1,513,170.19
Current maturity	356.96	1,161.63	1,155.19	
Non - current amount	-	358.94	1,512.15	
Loan 3				
Balance outstanding	536.65	1,079.61	1,609.95	Particulars of security 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 Borakalan. Terms of repayment Period of loan is 48 months , sanctioned 10.02.2014 Repayable in 12 equal quarterly installments commencing from 18.05.2015 as per detail given below: USD 67,171.80 * 12 quarters USD 55,251.6714*12 quarters USD 98,236.49*11 quarters USD 98236.41*1 quarter Rate of interest is above 3 months USD LIBOR as follows: i) For USD 806061.58 is 505 bps ii) For USD 1841857.86 is 480 bps
Current maturity	536.65	539.80	536.65	
Non - current amount	-	539.81	1,073.30	

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015	Particulars of security / guarantees / terms of repayment / default
Loan 4				Particulars of security First pari passu charge on all movable fixed assets (excluding those which are exclusively charge to other lenders) both present and future. Equitable mortgage on factory land and building located at Borakalan. Terms of repayment Period of loan is 60 months(Including 6 months moratorium period), sanctioned 04.01.2016, repayable in 54 equal monthly installments commencing from 24.05.2017 as per detail given below: INR 1830034 * 53 INR 1830018* 1 Rate of interest is at one year MCLR, present rate 9.85% per annum.
Balance outstanding	988.22	-	-	
Current maturity	201.30	-	-	
Non - current amount	786.92	-	-	
Total	786.92	898.75	2,882.98	

The requisite particulars in respect of unsecured borrowings are as under: (Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015	Particulars of terms of repayment / default / rate of interest
Term loans -from banks				
- Loan from Bank of Tokyo (external commercial borrowing)				
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	-	-	76.30	
Current maturity	-	-	76.30	
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. Rate of interest-JPY LIBOR+250 BPS
Balance outstanding	82.93	169.02	223.69	
Current maturity	82.93	84.51	74.56	
Non - current amount	-	84.51	149.13	
Loan -3				The period of loan is 6 years, sanctioned on 13.03.2012, Repayable in 24 equal quarterly installments commencing from 15.09.2012 upto 15.06.2018 amounting to JPY 23,72,250 each. Rate of interest- JPY LIBOR+250 BPS
Balance outstanding	68.75	126.09	160.70	
Current maturity	55.00	56.04	49.45	
Non - current amount	13.75	70.05	111.25	
Loans & advances from related parties				
-Loan from directors				
Balance outstanding	1,160.00	1,160.00	660.00	Repayable after two years. Rate of interest is @ 8.65% per annum.
Current maturity	-	-	-	
Non - current amount	1,160.00	1,160.00	660.00	
Total	1,173.75	1,314.56	920.38	

18. Provisions

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Provision for employee benefits (refer note 39)			
Gratuity (funded)	1.90	5.89	-
Leave encashment (unfunded)	129.68	102.85	77.44
Total	131.58	108.74	77.44

19. Deferred tax liabilities (net)

(Rs. in lakhs)

Particulars	As at 31st March 2017	Charge/ (Credit) during the year	As at 31st March 2016	Charge/ (Credit) during the year	As at 01st April 2015
Deferred tax assets on account of :					
-Leave encashment	51.60	9.96	41.64	12.37	29.27
-Bonus payable	3.16	(8.30)	11.46	9.57	1.89
-Gratuity payable	-	(8.49)	8.49	6.53	1.96
Total deferred tax assets	54.76	(6.83)	61.59	28.47	33.12
MAT credit entitlement	522.80	1.27	521.53	(32.51)	554.04
Deferred tax liabilities on account of :					
Difference between book and tax depreciation	1,277.55	104.54	1,173.01	56.59	1,116.41
Total deferred tax liabilities	1,277.55	104.54	1,173.01	56.59	1,116.41
Total deferred tax (net)	699.99	110.10	589.89	60.63	529.25

20. Other non-current liabilities

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Security deposit	-	0.50	0.50
Tooling advance received	9.08	21.00	808.25
Total	9.08	21.50	808.75

21. Borrowings- current

(Rs. in lakhs)

Particulars	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
Working capital loan from banks	3,061.52	-	3,152.34	-	3,001.50	-
Total	3,061.52	-	3,152.34	-	3,001.50	-
Grand total	3,061.52		3,152.34		3,001.50	

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

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015	Particulars of security / guarantees / terms of repayment / default
Working Capital Loan from banks				
- Loan from State Bank of Travancore at 1 year MCLR, present rate 9.85% per annum.	641.40	708.35	600.32	First pari-passu charge on entire current assets of the Company, i) Second charge on the fixed assets of the Company both present and future on pari-passu basis, ii) Equitable mortgage of 4.325 acres of land with factory building at Borakalan 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 at 03 months MCLR, Present rate 9.75% per annum.	2,420.12	2,443.99	2,401.18	
Total	3,061.52	3,152.34	3,001.50	

22. Trade payables

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Dues of MSME parties (refer note no. 54 (i))	777.41	232.23	1,088.21
Dues of other than MSME parties	10,475.84	9,750.39	8,085.91
Total	11,253.25	9,982.62	9,174.12

23. Other financial liabilities

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
(a) Current maturities of long-term debt	1,232.85	2,142.46	2,338.43
(b) Interest accrued but not due	9.79	0.81	0.97
(c) Unpaid dividends	18.65	17.15	15.78
(d) Others			
(i) Technical fee payable	-	68.67	185.04
(ii) Expense payable	248.14	265.77	276.84
(iii) Creditors for capital items	1,042.04	556.86	248.99
(iv) Security deposit Payable	0.50	-	9.63
(v) Accrued salaries & benefits	420.19	343.30	236.11
(v) Others	23.72	24.26	24.80
Total	2,995.88	3,419.28	3,336.59

24. Other current liabilities

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
(b) Other payables			
-Withholding and other taxes payable	106.26	99.21	172.19
-Others	20.48	30.50	16.65
Total	126.74	129.71	188.84

25. Provisions- current

(Rs. in lakhs)

Short term provisions	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
(a) Provision for employee benefits (refer note no. 39)			
Gratuity (funded)	28.70	26.23	6.04
Leave encashment (unfunded)	19.42	16.65	12.77
(b) Others			
Provision for wealth tax payable	-	-	1.75
Total	48.12	42.88	20.56

26. Contingent liabilities & commitments

(Rs. in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
(i) Contingent liabilities			
(a) Claims against the company not acknowledged as debt			
-Disputed excise matters *	255.89	255.89	3,456.68
-Disputed income tax demands	-	-	-
	255.89	255.89	3,456.68
(ii) Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)			
	903.24	375.96	1,168.73
	903.24	375.96	1,168.73
	1,159.13	631.85	4,625.41

*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. 3195.79/- confirmed by collector of Central Excise Vide Order-in-Original No. 122/93 dated 15.12.93 since it has already been paid, hence contingent liability is not considered.

27. Revenue from operations

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Sale of products		
Car seats assemblies	75,321.91	63,983.36
Carpet sets for automobiles	1,743.57	2,233.79
Motorcycle seats	2,070.60	1,779.93
Other sales	3,269.39	1,940.21
Gypsy hoods	60.06	35.59
Total	82,465.53	69,972.88
Add excise duty	10,736.69	9,330.10
Total	93,202.22	79,302.98
Other operating revenues		
Scrap sale	57.96	10.71
Total	93,260.18	79,313.69

28. Other income

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Other non-operating income (net of expenses)	207.95	219.88
Total	207.95	219.88

29. Cost of material consumed

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Opening stock	871.70	776.82
Add: purchases	72,127.07	60,878.97
	72,998.77	61,655.79
Less: Closing stock	1,065.40	871.70
Raw material & component consumed	71,933.37	60,784.09

30. Purchase of stock-in-trade

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Gypsy hoods	60.61	31.24
Total	60.61	31.24

31. Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Opening stock:		
Finished goods	263.23	153.32
Less: Excise duty	30.51	16.65
	232.72	136.67
Work-in-progress	75.74	66.44
Stock in trade	1.45	4.98
Scrap	0.50	0.50
	310.41	208.59
Closing stock:		
Finished goods	174.85	263.23
Less: Excise duty	20.45	30.51
	154.40	232.72
Work-in-progress	124.58	75.74
Stock in trade	3.37	1.45
Scrap	0.50	0.50
	282.85	310.41
Total (increase) / decrease in stock	27.56	(101.82)

32. Employee benefit expense

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
(a) Salaries and wages	1,791.88	1,574.68
(b) Contributions to provident and other funds	109.74	94.87
(c) Gratuity fund contributions - (Refer note No. 39)	31.59	25.68
(d) Staff welfare expenses	146.62	131.09
Total	2,079.83	1,826.32

33. Finance costs

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Interest expense	433.98	523.05
Other borrowing costs	13.14	14.91
Total	447.12	537.96

34. Depreciation and amortization expense

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Depreciation	1,710.34	1,653.45
Total	1,710.34	1,653.45

35. Other expenses

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Power & fuel	975.67	1,219.06
Rent	41.79	18.37
Repairs to building	56.08	106.12
Repairs to plant and machinery	240.96	239.73
Repairs to others	20.20	12.40
Insurance	33.02	38.06
Rates and taxes	0.12	0.33
Research and development expenses - (refer note no. 54(ii))	238.35	190.38
Consumption of stores & spare parts	122.22	94.58
Payment to auditors for statutory audit	5.95	5.67
Payment to auditors for taxation matters	1.10	1.05
Payment to auditors for certification & other matters	4.35	4.38
Payment to auditor for reimbursement of expenses	0.12	0.96
Loss on sale/discard of fixed assets	29.33	26.48
Applicable net gain/loss on foreign currency transactions and translation	(7.36)	7.07
Donations (refer note no. 42)	6.50	5.50
Factory expenses	1,626.71	1,231.99
Legal & professional expenses	181.66	134.52
Technical know how fees & royalty	121.22	160.78
Foreign technician expenses	-	12.27
Travelling and conveyance	367.68	386.03
Miscellaneous expenses	724.95	592.47
Total	4,790.62	4,488.20

36. Current tax

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Current tax	425.20	231.29
MAT credit entitlement	-	
Total	425.20	231.29

37. Deferred tax

(Rs. In lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Deferred tax	112.53	31.13
Total	112.53	31.13

38. Earnings per equity shares

(Rs. in lakhs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March, 2016
Weighted average number of equity shares outstanding	31,400,000	31,400,000
Profit after tax available for shareholders	1,217.31	721.60
Basic & diluted earning per share	3.88	2.30
Nominal value per share	2.00	2.00

39. 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 recognised in the other comprehensive income, the profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans (as per actuarial valuation as on March 31, 2017).

Remeasurments- other comprehensive income (OCI)

(Rs. in lakhs)

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Return on plan assets (excluding amount included in net interest expense)	-	-	(0.27)	(1.70)
Actuarial (gains)/ losses arising from changes in demographic assumption	NIL	NIL	NIL	NIL
Actuarial (gains)/ losses arising from changes in financial assumptions	4.05	0.67	9.08	1.59
Actuarial (gains)/ losses arising from experience adjustments	5.35	1.92	(9.80)	6.56
Others	-	-	-	-
Defined benefit costs recognised in other comprehensive income	9.40	2.59	(0.99)	6.44

Amount recognised in the statement of profit and loss

(Rs. in lakhs)

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Current service cost	25.37	31.52	28.19	24.12
Interest cost on benefit obligation	9.20	7.04	15.94	14.19
Expected Interest income on plan assets	-	-	(13.40)	(13.64)
Remeasurements	9.40	2.59	(0.12)	7.45
Net benefit expense	43.97	41.15	30.60	32.12

The amount included in the Balance Sheet

(Rs. in lakhs)

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Present value of defined benefit obligation	149.09	119.51	241.65	206.96
Fair value of plan assets	-	-	211.05	174.84
Funded status	(149.09)	(119.51)	(30.60)	(32.12)
Restrictions on asset recognised	-	-	-	-
Other (describe)	-	-	-	-
Net asset / (liability) recognised in the balance sheet	149.09	119.51	30.60	32.12

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

(Rs. in lakhs)

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Opening defined benefit obligation	119.51	90.21	206.95	181.88
Current Service Cost	25.37	31.52	28.18	24.12
Interest Cost	9.20	7.04	15.94	14.19
Remeasurment (gains)/ losses:				
Actuarial (gains)/ losses arising from changes in demographic assumption	NIL	NIL	NIL	NIL
Actuarial (gains)/ losses arising from changes in financial assumption	4.05	0.67	9.09	1.59
Actuarial (gains)/ losses arising from experience adjustments	5.35	1.92	(9.80)	6.55
Benefits paid	(14.39)	(11.85)	(8.71)	(21.37)
Closing defined benefit obligation	149.09	119.51	241.65	206.96

Changes in the fair value of plan assets are as follows:

(Rs. in lakhs)

Particular	Gratuity (funded)	
	As at 31.03.2017	As at 31.03.2016
Opening fair value of plan assets	174.84	175.83
Addition(reduction) due to difference identified in the plan assets at the beginning of the period	(0.87)	(1.00)
Correct fair value of plan assets at the beginning of the period	173.97	174.83
Interest income	13.40	13.64
Remeasurment gain /(loss): -Return on plan assets (expected amounts included in net interest expense)	0.27	1.70
Contributions from the employer	32.12	6.04
Benefits paid	(8.71)	(21.37)
Closing fair value of plan assets	211.05	174.84

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	
	2016-17	2015-16	2016-17	2015-16
Discount rate	7.20%	7.70%	7.20%	7.70%
Rate of increase in compensation	6.00%	6.00%	6.00%	6.00%
Average outstanding service of employees upto retirement (years)	24.34	26.04	24.60	26.29

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.

A quantitative sensitivity analysis for significant assumption

(Rs. in lakhs)

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Change in discount rate				
Decrease in defined benefit obligation due to 1% increase in discount rate	7.89	6.36	17.61	15.04
Increase in defined benefit obligation due to 1% decrease in discount rate	8.80	7.07	20.15	17.05

Rate of salary escalation				
Increase in defined benefit obligation due to 1% increase in expected salary escalation rate	8.82	7.12	18.51	16.09
Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate	8.05	6.52	16.94	14.98

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Impact of changes in defined benefit obligation due to 1% increase / Decrease in mortality rate, if all other assumptions remain constant is negligible

Maturity profile of defined benefit obligation

(gross obligation without considering the plan assets)

(Rs. in lakhs)

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
(i) Weighted average duration of the defined benefit obligation			13 years	13 years
(ii) Duration of defined benefit obligation (discounted)				
Duration (years)				
1	19.42	16.66	5.47	8.47

Particulars	Leave encashment (unfunded)		Gratuity (funded)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
2	15.56	9.40	9.93	4.75
3	13.25	11.44	12.64	8.81
4	13.74	11.11	20.62	13.58
5	14.02	9.59	30.26	17.15
5+	73.10	61.31	162.73	154.19
Total	149.09	119.51	241.65	206.95
(ii) Duration of defined benefit payments				
Duration (years)				
1	19.90	17.08	5.77	8.91
2	17.17	10.53	10.88	5.42
3	15.79	13.68	15.18	10.46
4	17.48	14.34	26.27	17.64
5	19.37	13.30	41.39	23.82
5+	156.64	136.35	397.11	371.31
Total	246.35	205.28	496.60	437.56

Enterprise best estimate of contribution during next year	Leave encashment		Gratuity	
	2016-17	2015-16	2016-17	2015-16
	44.51	38.26	28.70	26.23

Classification of liability into current & non-current liability (Rs. in lakhs)

Particulars	Leave Encashment		Gratuity	
	2016-17	2015-16	2016-17	2015-16
Current liability	19.42	16.66	28.70	26.23
Non-current liability	129.68	102.86	212.95	180.73

Contribution to defined contribution plans: (Rs. in lakhs)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Provident fund/ other employee's fund	109.74	94.87	70.52	55.60	53.98

40. Operating segment information

The Company has only one reportable business segment as it manufactures and deals only in different seating systems, carpet etc. in terms of Ind AS 108 "Operating Segment". Further, the Company operates only in one geographical segment -India. All the assets of the Company are located in India. The chief operating officer and chief financial officer (chief operating decision maker) monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment. Hence, the disclosure requirements of the standard are not considered.

Revenue from external customer amounts to Rs. 93,260.18/- lakhs and there is only one customer contributing more than 10% of the total revenue.

41. Related party disclosure

a)	Names of parties	Nature of relationship
i)	Where control exists (i.e. holding companies, Subsidiaries and fellow subsidiaries):	None
ii)	Entities with Joint Control or significant influence over the Bharat Seats Limited:	Maruti Suzuki India Ltd. Suzuki Motor Corporation, Japan. Sharda Motor Industries Limited
iii)	Key management persons and their Relatives:	Mr.N.D.Relan- Chairman(till 02-06-2017) Mr. Rohit Relan–Chairman cum Managing Director Mr. T. J. Chacko – Whole Time 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
	Relatives :	Mr. Ajay Relan – Brother of Mr. Rohit Relan Mrs. Sharda Relan -Mother of Mr. Rohit Relan Mrs. Ritu Relan -Wife of Mr. Rohit Relan Mr. Pranav Relan-Son of Mr.Rohit 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) referred to in (iii) above is able to exercise significant influence:	N.D. Relan (HUF) Rohit Relan (HUF) Ajay Relan (HUF) Sharda Enterprises Relan Industrial Finance Limited Progressive Engineering & Automation Pvt. Ltd. Sharda Inoac Pvt. Ltd. Toyota Boshoku Relan India Pvt. Ltd. Toyo Sharda India Pvt. Ltd. Suzuki Motorcycle India Pvt. Ltd.

b) Transactions with related parties

(Rs. in lakhs)

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 (gross including excise & cess)				
Maruti Suzuki India Ltd.	88,542.76	-	-	-
	(75,937.72)	(-)	(-)	(-)
Suzuki Motorcycle India Pvt. Ltd.	-	-	-	4,317.00
	(-)	(-)	(-)	(3,285.36)
Others	-	-	-	279.38
	(-)	(-)	(-)	(47.77)
Purchases of Material (Including all taxes)				
Sharda Motor Industries Ltd.	36,166.14	-	-	-
	(30,431.08)	(-)	(-)	(-)
Others				1,005.32
				(112.67)
Purchase of Tooling from Sharda Motors Industries Limited (Including all taxes)	80.80	-	-	-
	(1,598.08)	(-)	(-)	(-)
Sale of Tooling/ Job Charges				
Maruti Suzuki India Limited	1,362.04	-	-	-
	(2,395.92)	(-)	(-)	(-)
Suzuki Motorcycle India Pvt. Ltd.	-	-	-	72.12
	(-)	(-)	(-)	(183.38)
Others	-	-	-	12.25
	(-)	(-)	(-)	(49.69)
Lease Rent Received (including taxes)	-	-	-	24.42
	(-)	(-)	(-)	(19.42)
Dividend paid:-				
Maruti Suzuki India Ltd.	41.85			
	(41.85)			
Suzuki Motor Corporation, Japan,	41.85			
	(41.85)			
Sharda Motor Industries Limited.	81.00			
	(81.00)			
Others		7.70	31.33	6.64
		(19.02)	(29.44)	(0.30)

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
Remuneration	- (-)	258.57 (201.02)	- (-)	- (-)
Sitting Fees	3.20 (2.80)	1.20 (5.20)	1.60 (1.20)	- (-)
Rent Paid	18.46 (18.37)	- (-)	- (-)	- (-)
Other Income	- (-)	- (-)	- (-)	57.42 (-)
Other Expenses	530.06 (736.20)	- (-)	- (-)	17.77 (-)
Discount on sales to Maruti Suzuki India Ltd.	0.84 (4.97)	- (-)	- (-)	- (-)
Loan Received from Directors	- (-)	- (500.00)	- (-)	- (-)
Loan Paid to Directors		(-)		
Interest Paid		28.91 (50.12)	81.40 (36.55)	
Performance bank Guarantee given during the year in favour of:				
Maruti Suzuki India Ltd.	280.22 (747.01)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Suzuki Motorcycle India Pvt. Ltd.	Nil (Nil)	Nil (Nil)	Nil (Nil)	9.08 (Nil)
Mobilisation/Tooling Advance received during the year	259.22 (435.86)	Nil (Nil)	Nil (Nil)	9.08 (122.36)
Mobilisation/Tooling Advance Paid during the year	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Performance bank guarantee outstanding in favour of:				
Maruti Suzuki India Ltd.	142.59 (747.01)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Suzuki Motorcycle India Pvt. Ltd.	Nil (Nil)	Nil (Nil)	Nil (Nil)	9.08 (Nil)
Mobilisation/Tooling Advance received outstanding balance	- (21.00)	Nil (Nil)	Nil (Nil)	9.08 (141.49)

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
Mobilisation/Tooling Advance Paid outstanding balance	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Unsecured Loan as on 31.03.2017	Nil (Nil)	270.00 (465.00)	890.00 (695.00)	Nil (Nil)
Net Outstanding receivable as on 31.03.2017	8,860.74 (7,839.09)	Nil (Nil)	Nil (Nil)	551.09 (402.73)
Net Outstanding payable as on 31.03.2017	3,696.96 (3,834.54)	Nil (Nil)	Nil (Nil)	- (15.82)

Breakup of Remuneration to Key Managerial Personnel:-

Rs. in lakhs

S. No.	Particulars	2016-17	2015-16	2014-15
i)	Short Term Employee Benefits	242.40	201.02	151.43
ii)	Post- Employment Benefits	16.17	13.72	-
	Total	258.57	214.74	151.43

42. Expenditure on corporate social responsibility

During the current year pursuant to section 135 of the Companies act, 2013, Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years.

- Gross amount required to be spent by the Company during the year is Rs. 19.98 lakhs.
- Amount spent during the year on:

Rs. in lakhs

Sl. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	6.50	-	6.50

43. Financial instruments- accounting classifications and fair value measurements
Fair value techniques

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short- term maturities of these instruments.
- Long term variable rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

Fair Value Hierarchy

Following provides for the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: It includes those financial assets and liabilities whose value is quoted in the market

Level 2: Valuation technique used is other techniques for which all inputs having significant effect on fair value are observable. Inputs available are currency exchange rates, interest rate to discount future cash flows, prevailing interest rates, future payouts.

Level 3: Techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Fair value measurements

(Rs. In lakhs)

Financial Instruments by category	31.03.2017			31.03.2016			01.04.2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Security Deposit	-	-	53.84	-	-	43.60	-	-	47.60
Cash and cash equivalents	-	-	26.89	-	-	10.39	-	-	13.20
Bank Balance other than above	-	-	88.69	-	-	83.30	-	-	77.49
Trade Receivables	-	-	9,416.14	-	-	8,281.39	-	-	7,675.51
Total Financial Assets	-	-	9,585.56	-	-	8,418.68	-	-	7,813.80
Financial Liabilities									
Borrowings	-	-	6,264.83	-	-	7,508.91	-	-	9,144.26
Trade Payables	-	-	11,253.25	-	-	9,982.62	-	-	9,174.12
Capital vendors	-	-	1,042.04	-	-	556.86	-	-	248.99
Other Financial Liabilities	-	-	711.21	-	-	719.16	-	-	748.19
Total Financial Liabilities	-	-	19,271.33	-	-	18,767.55	-	-	19,315.56

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

(Rs. in lakhs)

As at 31.03.2017	Total	(Level 1)	(Level 2)	(Level 3)
Assets for which fair values are disclosed				
Security Deposit	53.84			53.84
Liabilities for which fair values are disclosed				
Borrowings	6,264.83		6,264.83	
Other Financial Liabilities	711.21			711.21

As at 31.03.2016	Total	(Level 1)	(Level 2)	(Level 3)
Assets for which fair values are disclosed				
Security Deposit	43.60			43.60
Liabilities for which fair values are disclosed				
Borrowings	7,508.91		7,508.91	
Other Financial Liabilities	719.16			719.16

As at 01.04.2015	Total	(Level 1)	(Level 2)	(Level 3)
Assets for which fair values are disclosed				
disclosed:				
Security Deposit	47.60			47.60
Liabilities for which fair values are disclosed				
Borrowings	9,144.27		9,144.27	
Other Financial Liabilities	748.19			748.19

44. Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

i. Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: Currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits. The Company is exposed to interest rate risk on variable rate long term borrowings.

A) Currency Risk:-

The Company is exposed to foreign exchange risk arising from foreign currency borrowings, Imports and other expenses mainly with respect to U.S. dollars (US\$), Japanese Yen(JPY) and EURO. If the value of the Indian rupee depreciates relative to these foreign currencies, the related costs may increase. The exchange rates between the Indian Rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company uses derivative financial instruments such as forward or option contracts to mitigate the risk of changes in foreign exchange rates.

a) The following gives details of outstanding forward exchange contracts/ options :-

(Rs. in lakhs)

	31.03.2017	31.03.2016
Aggregate amount of outstanding:		
forward/ option contracts	893.61	2,900.66

b) The following table analyses the foreign currency risk:

The Company's exposure to foreign currency risk at the end of the reporting period as follows:

(figures in lakhs)						
The following table analyses the foreign currency risk:	31.03.2017			31.03.2016		
	\$	Yen	Euro	\$	Yen	Euro
Financial Liability:						
Bank Loan	14.68	261.70	-	47.34	499.68	-
Creditors	1.69	231.07	0.01	0.16	163.67	0.01
Technical Fee Payable	0.36	99.49	-	0.33	82.17	
Total	16.73	592.26	0.01	47.83	745.52	0.01

The following tables demonstrate the profit or loss sensitivity to reasonably possible changes in exchange rates, with all other variables held constant:

Foreign Currency Sensitivity Analysis

(Rs. in lakhs)

Period	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
31-Mar-17	+5%	(11.60)	(11.60)
	-5%	11.60	11.60
31-Mar-16	+5%	(16.11)	(16.11)
	-5%	16.11	16.11
Period	Change in JPY rate	Effect on profit before tax	Effect on pre-tax equity
31-Mar-17	+5%	(10.53)	(10.53)
	-5%	10.53	10.53
31-Mar-16	+5%	(9.10)	(9.10)
	-5%	9.10	9.10
Period	Change in EURO rate	Effect on profit before tax	Effect on pre-tax equity
31-Mar-17	+5%	(0.03)	(0.03)
	-5%	0.03	0.03
31-Mar-16	+5%	0.02	0.02
	-5%	(0.02)	(0.02)

B) Interest rate risk:

Interest rate risk is that the future cash flows will fluctuate because of changes in market interest rates. Interest rate risk primarily arises from floating interest rates loans and borrowings. The Company (on the basis of past practices) does not observe wide variation in INR loans interest rates. In case of foreign currency loans management continuously keep watch on the fluctuations in market and take derivative instruments accordingly. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	(Rs. in lakhs)	
Particulars	31-03-17	31-03-16
Variable rate borrowings	6,255.03	7,508.11
Fixed rate borrowings	-	-

As at the end of the reporting period, the Company had the following floating rate borrowings and interest rate swap contract outstanding:

(Rs. in lakhs)

	31-03-17			31-03-16		
	Weighted Avg. Interest Rate	Balance	% of Total Loans	Weighted Avg. Interest Rate	Balance	% of Total Loans
Variable loans	8.77%	6,255.03	100.00%	8.09%	7,508.11	100.00%
Interest rate swap	5.40%	167.18	2.67%	5.40%	334.35	4.45%

The following tables demonstrate the profit or loss sensitivity to higher/lower interest expenses from borrowings as a result of changes in interest rates, with all other variables held constant:

(Rs. in lakhs)

Sensitivity Analysis 2017	Change in Interest rate	Impact on profit before tax	Impact on Equity before tax
Bank loans (INR)	0.50%	(20.25)	(20.25)
	-0.50%	20.25	20.25
Foreign currency loans	0.50%	(5.23)	(5.23)
	-0.50%	5.23	5.23
Directors loans	0.50%	(5.80)	(5.80)
	-0.50%	5.80	5.80
Sensitivity Analysis 2016	Change in Interest rate	Impact on profit before tax	Impact on Equity before tax
Bank loans (INR)	1%	(31.52)	(31.52)
	-1%	31.52	31.52
Foreign Currency Loans	0.50%	(15.98)	(15.98)
	-0.50%	15.98	15.98
Directors Loans	1%	(11.60)	(11.60)
	-1%	11.60	11.60

C) Price risk

The Company is not exposed to any price risk as there is no investment in equities and the Company does not deal in commodities.

ii) Liquidity risk:

It is the risk that the Company would not be able to meet its financial obligation when they become due. The Company is financed primarily by bank loans, loans from directors, and other operating cash flows. The management assess the future funding requirements and available borrowing facilities. These committed facilities are maintained at a level which is sufficient to meet the financial obligation.

The following are the maturities of the financial liabilities:-31st March, 2017

Liquidity risk

(Rs. In lakhs)

Particulars	As at 31.03.2017						
	0-3 months	3-6 months	6 months to 1 year	1-2 year	2-5 years	More than 5 years	Total
Trade payable	11,253.25						11,253.25
Capital Vendors	384.11	409.23	19.51	229.19			1,042.04
Loans from Banks (including accrued interest)	503.84	291.71	3,508.62	233.35	439.21	128.10	5,104.83
Loans from directors					1,160.00		1,160.00
Other Liabilities	711.21						711.21
Total	12,852.41	700.94	3,528.13	462.54	1,599.21	128.10	19,271.33

As at 31.03.2016							
Particulars	0-3 months	3-6 months	6 months to 1 year	1-2 year	2-5 years	More than 5 years	Total
Trade payable	9,982.62						9,982.62
Capital Vendors	316.93	8.27	2.47	-	229.19		556.86
Loans from Banks (including accrued interest)	573.98	573.17	4,148.45	1,039.30	14.01	-	6,348.91
Loans from directors	-	-	-	-	1,160.00	-	1,160.00
Other Liabilities	719.16						719.16
Total	11,592.69	581.44	4,150.92	1,039.30	1,403.20	-	18,767.55

As at 01.04.2015							
Particulars	0-3 months	3-6 months	6 months to 1 year	1-2 year	2-5 years	More than 5 years	Total
Trade payable	9,174.12						9,174.12
Capital Vendors	198.13	50.86					248.99
Loans from Banks (including accrued interest)	604.65	603.68	4,132.57	2,113.38	1,029.98	-	8,484.26
Loans from directors	-	-	-	-	660.00	-	660.00
Other Liabilities	748.19						748.19
Total	10,725.09	654.55	4,132.57	2,113.38	1,689.98	-	19,315.56

iii) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or the counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks, as well as credit exposure to customers including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company assesses the credit quality of the counterparties, taking in to account their financial position, past experience and other factors.

Credit risk relating to trade receivable, securities given is considered negligible as counterparties are having good credit quality.

45. Capital Management

Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide the return to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Company manages the capital structure and makes the adjustment to it in the light of changes in economic conditions and risk characteristics of the underlying assets. The Company monitors capital on the gearing ratio basis. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as total shareholder's equity.

The gearing ratio for each year is as follows:-

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Total Borrowings	6,264.83	7,508.91	9,144.26
Less: Cash and Cash Equivalents	(96.93)	(76.53)	(74.92)
Net (surplus)/deficit	6,167.90	7,432.38	9,069.35
Total Equity	6,213.88	5,344.29	4,968.86
Gearing Ratio	0.99	1.39	1.83

46. Loan covenants:

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net borrowings to EBITDA ratio, current ratio and debt service coverage ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loan. Current ratio is low considering the economic environment in the automotive industry which is within the acceptable norms.

The other loans do not carry any debt covenant.

47. Lease

Land Lease:

The Company has entered into cancellable leases for its Gurgaon and Manesar land with Maruti Suzuki India Limited. The lease terms for Gurgaon plant is of 33 years starting from 27th April, 1986. In consideration of this, lessee agreed to pay annual lease rent. The lessor will have the right to increase annual rental charges once after every three years, provided, however the increase in annual rental charges at every three years interval shall not exceed 15% of the annual rental lease payable immediately before each such increase. On expiry of the lease period, this agreement would be renewed on mutual agreement of lessor and lessee.

The lease for Manesar plant was entered into on 8th July 2011 and expiring on 31st March 2023. The lease deed can be terminated at any time by either party by giving 90 days prior notice in writing.

Operating lease:

The Company has entered into a non-cancellable operating lease during the year for lease term of 9 years for its Trim plant. The monthly lease rentals will be escalated by 15% after every 3 years. The lessee shall not sublet said premises.

During the year an amount of Rs. 41.79/- lakhs (P.Y. Rs. 18.37/- lakhs) is recognised as an expense in profit or loss in respect of operating lease.

Future minimum lease rentals payable under non-cancellable lease are as follows:-

(Rs. in lakhs)

Particulars	2016-17	2015-16	2014-15
Within 1 year	39.60	-	-
Later than 1 year and not later than 5 years	179.69	-	-
Later than 5 years	157.11	-	-

The Company has entered into a cancellable operating lease with Toyo Sharda India Pvt. Ltd. for 2 years starting from 01 June 2015. It can be extended for 2 years at such terms and conditions mutually agreed upon. The rent shall increase by 5% annually. Lessee shall not assign/ sublet property to any other person. An amount of Rs. 24.42/- lakhs (P.Y. Rs. 19.42/- lakhs) is recognised in 'other income' in respect of operating lease

48. Proposed Dividend

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as on 31st March. Details of proposed dividend are as follows:-

(Rs. in lakhs)

Proposed dividend on Equity Shares	2016-17	2015-16	2014-15
Final Cash Dividend for the year ended on 31 march 2017 Re. 0.90/- (PY 2015-16 Re.0.90/- and PY 2014-15 Re. 0.90/-) equity share	282.60	282.60	282.60
DDT on Proposed Dividend	57.53	57.53	57.53
	340.13	340.13	340.13

49. Tax Reconciliation

Reconciliation of tax expense and accounting profit as per Ind AS 12:

Income Tax Expenses

This note provides an analysis of the Company's income tax expenses that how the tax expenses is affected by non-assessable and not-deductible items:

	31.03.2017	31.03.2016
Income Tax Expenses		
Current Tax		
Current Tax for the year	425.20	231.29
Adjustment for current tax of prior periods	(73.05)	-
Total Current expenses	352.15	231.29
Deferred Tax		
Decrease/ (Increase) in deferred tax assets	8.00	(25.48)
(Decrease)/ Increase in deferred tax Liability	104.53	56.61
Total deferred tax expenses	112.53	31.13
Income Tax Expense	464.68	262.43

Reconciliation of tax expenses and the accounting profit multiplied by the applicable Indian tax rates:

	31.03.2017	31.03.2016
Total Comprehensive Income:		
Profit as per statement of Profit & Loss	1,681.99	984.01
Total Comprehensive Income	1,681.99	984.01
Effective tax FY 2016-17 @ 34.608% (FY 2015-16@ 33.063%)	582.10	325.34
Tax Effect of amount which are not deductible		
Employee Benefit expenses	14.98	59.91
Loss on sale of fixed Assets	5.72	8.76
Donation	2.25	0.91
Difference in Depreciation as per books of accounts and as per income tax	130.85	10.91
Tax expenses on research & Development expenses	(198.17)	(143.40)
MAT Credit Entitlement Earlier Years	(73.05)	-
Total Tax	464.68	262.42

Note: Rate of applicable income tax has increased in Financial year 2016-17 to 34.608% from 33.063% in Financial year 2015-16 due to increase in the applicable surcharge rate.

50. Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are as follows:-
(Rs. In lakhs)

	31.03.2017	31.03.2016	01.04.2015
Current			
Non Financial Assets:			
Inventories	1,537.84	1,441.27	1,157.83
Financial Assets:			
Trade Receivable	9,416.14	8,281.39	7,675.51
Cash and Cash Equivalents	26.89	10.39	13.20
Bank balances other than above	70.04	66.15	61.71
Total current assets pledge as security	11,050.91	9,799.20	8,908.26
Non Current			
Property, plant and equipment	14,575.63	14,435.63	15,003.82
Capital work in Progress	46.60	119.08	309.58
Total non current assets pledge as security	14,622.23	14,554.71	15,313.40
Total assets pledge as security	25,673.14	24,353.91	24,221.66

51. First Time Adoption of Ind AS

These Financial Statements, for the year ended 31st March 2017 are the first, the Company has prepared in accordance with Ind AS. For the periods up to and including the year ended 31st March 2016, the company prepared its financial statements in accordance with the accounting standards notified under section 133 of Companies Act, 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP)

Accordingly, the Company has prepared its financial statement to comply with the Ind AS for the year ending 31st March, 2017, together with the comparative date as at and for the year ended 31st March, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company opening balance sheet was prepared as at 1st April, 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

52. Exemptions and exceptions opted by the Company on the date of transition:-
a) Exemptions:
i) Deemed cost

The Company has elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognised in financial statement as at the date of transition to Ind AS, as per previous GAAP and use that as its deemed cost

ii) Long term foreign currency monetary items

The Company has continue to capitalize exchange differences arising from translation of long term foreign currency monetary items as per para D13AA of Ind AS 101.

As the Company avails the exemption specified above, hence hedge accounting under Ind AS 109 will not be applicable for foreign currency swaps against that item.

iii) Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

iv) Lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception or the contract or arrangement. However, on the basis of exemption given in Ind AS 101, Company has done the assessment of lease as at the date of transition.

b) Exceptions:
i) Classification and measurement of financial assets

The company has classified the financial assets in accordance with IndAS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

ii) Estimates

The estimates of 01.04.2015 and 31.03.2016 are consistent with those made for the same date in accordance with the previous GAAP

53. Reconciliation between Balance sheet, statement of profit and loss and cash flow prepared under previous IGAAP and those prepared under Ind AS.
Reconciliation of equity as previously reported under IGAAP to Ind AS

(Rs. In Lakhs)

	AS AT 31.03.2016	Effects of transition to Ind AS	AS AT 31.03.2016
	Indian IGAAP		IND-AS
ASSETS			
1 Non-Current Assets			
a) Property Plant & Equipment	14,376.71		14,376.71
b) Capital work in progress	119.08	0.00	119.08
c) Intangible Assets	42.15	16.77	58.92
d) Financial Assets	-	43.60	43.60
e) Other non-current assets	673.71	(628.47)	45.24
f) Income tax assets	-	63.33	63.33
Total Non-current assets	15,211.65	(504.77)	14,706.88
2 Current Assets			
a) Inventories	1,441.27	-	1,441.27
b) Financial assets			-
i) Investments	-		-
ii) Trade receivables	8,281.39	-	8,281.39
iii) Cash and Cash equivalents	93.69	(83.30)	10.39
iv) Bank balances other than(iii) above	-	83.30	83.30
c) Other current assets	481.33	-	481.33
Total Current assets	10,297.68	-	10,297.68
TOTAL ASSETS	25,509.33	(504.77)	25,004.56
EQUITY AND LIABILITIES			
1 Equity			
a) Equity Share capital	628.00	-	628.00
b) Other equity	4,364.92	351.37	4,716.29
Sub-total - Equity	4,992.92	351.37	5,344.29

2	LIABILITIES			
	NON-CURRENT LIABILITIES			
	a) Financial liabilities			
	i) Borrowings	2,213.31	-	2,213.31
	ii) Other financial liabilities	-	-	-
	b) Provisions	108.74	-	108.74
	c) Deferred tax liabilities (Net)	1,105.89	(516.00)	589.89
	d) Other non-current liabilities	21.50	-	21.50
	Total Non-current liabilities	3,449.44	(516.00)	2,933.44
	Current liabilities			
	a) Financial liabilities			
	i) Borrowings	3,152.34	-	3,152.34
	ii) Trade payables	9,982.62	-	9,982.62
	iii) Other financial liabilities	-	3,419.28	3,419.28
	b) Other Current Liabilities	3,548.99	(3,419.28)	129.71
	c) Provisions	383.02	(340.14)	42.88
	Total-Current liabilities	17,066.97	(340.14)	16,726.83
	TOTAL EQUITY AND LIABILITIES	25,509.33	(504.77)	25,004.56

Reconciliation of equity as previously reported under IGAAP to Ind AS:

(Rs. In lakhs)

		AS AT 01.04.2015	Effects of transition to Ind AS	AS AT 01.04.2015
	ASSETS	Indian IGAAP		IND-AS
1	Non-Current Assets			
	a) Property Plant & Equipment	14,948.61	(0.00)	14,948.61
	b) Capital work in progress	309.58	-	309.58
	c) Intangible Assets	55.21	0.00	55.21
	d) Financial Assets	-	47.60	47.60
	e) Other non-current assets	1,659.67	(653.09)	1,006.58
	f) Income tax assets	-	51.44	51.44
	Total Non-current assets	16,973.07	(554.05)	16,419.02
2	Current Assets			
	a) Inventories	1,157.83	-	1,157.83
	b) Financial assets			
	i) Investments	-	-	-
	ii) Trade receivables	7,675.51	(0.00)	7,675.51
	iii) Cash and Cash equivalents	90.70	(77.50)	13.20
	iv) Bank balances other than(iii) above	-	77.50	77.50
	c) Other current assets	566.21	-	566.21
	Total Current assets	9,490.25	(0.00)	9,490.25
	TOTAL ASSETS	26,463.32	(554.05)	25,909.27

EQUITY AND LIABILITIES			
1	Equity		
	a) Equity Share capital	628.00	-
	b) Other equity	4,000.73	340.13
	Sub-total - Equity	4,628.73	340.13
2	LIABILITIES		
	NON-CURRENT LIABILITIES		
	a) Financial liabilities		
	i) Borrowings	3,803.36	-
	ii) Other financial liabilities	-	-
	b) Provisions	77.44	-
	c) Deferred tax liabilities (Net)	1,083.30	(554.05)
	d) Other non-current liabilities	808.75	-
	Total Non-current liabilities	5,772.85	(554.05)
	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	3,001.50	-
	ii) Trade payables	9,174.12	-
	iii) Other financial liabilities	-	3,336.59
	b) Other Current Liabilities	3,525.43	(3,336.59)
	c) Provisions	360.69	(340.13)
	Total-Current liabilities	16,061.74	(340.13)
	TOTAL EQUITY AND LIABILITIES	26,463.32	(554.05)

Reconciliation to statement of profit & loss as previously reported as on 31st March 2016 under IGAAP to Ind AS:

Rs. In Lakhs

Particulars		Indian GAAP	Effects of transition to Ind AS	IND AS
I.	Revenue from operations	69,983.59	9,330.10	79,313.69
II.	Other income	219.88	-	219.88
III.	Total Revenue (I + II)	70,203.47	9,330.10	79,533.57
IV.	Expenses:			
	Excise Duty	-	9,330.10	9,330.10
	Cost of materials consumed	60,784.09	-	60,784.09
	Purchases of Stock-in-Trade	31.24	-	31.24
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(101.82)	-	(101.82)
	Employee benefits expense	1,835.35	(9.03)	1,826.32
	Finance costs	537.96	-	537.96
	Depreciation and amortization expense	1,670.22	(16.77)	1,653.45
	Other expenses	4,488.20	-	4,488.20
	Total expenses	69,245.24	9,304.30	78,549.54

V.	Profit before tax (III-IV)	958.23	25.80	984.03
VI	Tax expense:			
	Current Tax	231.30	-	231.30
	MAT Credit Entitlement	-		-
	Net Current Tax Expense	231.30	-	231.30
	Deferred Tax	22.60	8.53	31.13
		253.90	8.53	262.43
VII	Profit after tax for the period (V - VI)	704.33	17.27	721.60
	OTHER COMPREHENSIVE INCOME			
	i) Other comprehensive income to be reclassified to profit and loss in subsequent periods:	-	-	-
	ii) Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
	Actuarial Gain/ Loss	-	9.03	9.03
	Income tax effect(Net)	-	(2.99)	(2.99)
	Comprehensive Income for the year, Net of taxes	-	6.04	6.04
	Total Comprehensive Income for the year	704.33	11.23	715.56

Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS

Explanation to the reconciliation of balance sheet and statement of profit and loss as previously reported under IGAAP to Ind AS

- **Dividend: Under Ind AS**, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. In IGAAP, dividend is recorded as a liability in the period to which it relates.
- **Employee Benefits: In Indian GAAP**, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gain and losses form part of remeasurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods.
- **Depreciation and Amortisation:** Under IGAAP, intangible assets are amortised over a period of 6 years on straight-line-basis. As per Ind AS Intangible assets having indefinite life shall not be amortised and is required to test it for impairment, annually and as and when there is indication that the intangible asset may be impaired.
- **Government Grant:** Earlier as per IGAAP, a government grant was recognised as a capital reserve. However under Ind AS, the amount of government grant are recognised as deferred income and amortised over the life of the assets/liability. Therefore the amount of the Government grant is transferred to the reserve of the Company.
- **Loan processing fees:** As per IGAAP loan processing fees are charged to the statement of profit and loss or capitalized in the period in which it is incurred. Under Ind AS loan processing fees are amortised over the period of loan.
- **Related Party:** All Joint ventures or associates of same group or of a member of which the other entity is a member were not considered as related party as per IGAAP. As per Ind AS all joint venture and associates of the group are now related parties (refer note no. 41).
- **Revenue:** Excise duty of Rs. 9,330.10 Lakhs on account of sale of goods have been included in revenue as it is on own account because it is liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

54. Additional notes to the accounts

- i) 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:

Rs. in lakhs

	Particulars	2016-17	2015-16
A	Principal amount remaining unpaid as on 31st March, 2017	777.41	232.23
B	Interest due thereon as on 31st March, 2017	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, 2017	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

- ii) Research & Development expenses referred in note no. 35 includes:

(Rs. in lakhs)

Particulars	2016-17	2015-16
Salary/Wages	145.41	136.67
Development & other expenses	92.94	53.71
Total	238.35	190.38

- iii) Remuneration to Managing/ whole-time Director

(Rs. in lakhs)

S. No.	Particulars	2016-17	2015-16
i)	Salaries	143.33	102.12
ii)	Perquisites & Allowances	10.54	25.69
iii)	Contribution to Provident Fund	15.25	13.64
	Total	169.12	141.45

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.

- iv) Borrowing cost capitalized during the year Rs. 34.02/- lakhs (Previous Year Rs. 5.81/-lakhs) includes Rs.34.02/- lakhs towards fixed assets(Previous Year Rs. 0.72/- lakhs) & Rs. Nil towards capital work in progress (Previous year Rs. 5.09/-lakhs).

- v) Detail of specified bank notes (SBN) held and transacted during the period from 08th November, 2016 to 30th December, 2016 as defined in the MCA notification G. S. R. 308(E) dated March 31, 2017 provided in the table below:

(in Rs.)

		SBN	Other Denomination Notes	Total
	Closing Balance as on 08.11.2016	80,500	13,913	94,413
+	Permitted Receipt	-	732,168	732,168
-	Permitted Payments	-	525,326	525,326
-	Amount Deposited In Bank	80,500	-	80500
	Closing Cash In Hand as on 30.12.2016	-	220,755	220,755

- vi) Details of production, sales and stocks:

(Rs. in lakhs)

Particulars		For the year ended 31st March 2017		For the year ended 31st March 2016	
		Quantity	Value	Quantity	Value
In respect of manufactured items					
Car seats assemblies	Opening Stock	1548	195.90	873.00	94.68
	Production	641538	75,249.84	573,840.00	64,084.58
	Closing Stock	1077	123.83	1,548.00	195.90
	Sales & Others	642009	75,321.91	573,165.00	63,983.36
Carpet sets for automobiles	Opening Stock	2285	13.04	2,707.00	16.40
	Production	321580	1,746.20	380,165.00	2,230.42
	Closing Stock	2343	15.66	2,285.00	13.04
	Sales & Others	321522	1,743.57	380,587.00	2,233.79
Motorcycle seats	Opening Stock	1597	7.01	1,410.00	6.63
	Production	407611	2,069.98	379,610.00	1,780.30
	Closing Stock	1300	6.39	1,597.00	7.00
	Sales & Others	407908	2,070.60	379,423.00	1,779.93
Gypsy hoods for seats	Opening Stock	62	1.45	213.00	4.98
	Production	2590	61.98	1,335.00	32.05
	Closing Stock	144	3.37	62.00	1.45
	Sales & Others	2508	60.06	1,486.00	35.59
Other sales & traded goods	Opening Stock	-	16.78	-	18.97
	Purchases	-	3,262.19	-	1,938.04
	Closing Stock	-	9.59	-	16.78
	Sales & Others	-	3,269.39	-	1,940.23

- vii) **Standards issued but not yet effective**

The standard issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will

come into force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

Amendment to Ind AS 7:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. The amendments is applicable to the company from April 1, 2017

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow items, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

- viii) Previous year figures have been regrouped and /or reclassified, wherever necessary.
- ix) Note no. 1 to 54 pertaining to balance sheet and statement of profit and loss form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.

Chartered Accountants

Firm's Registration No.:000756N

ROHIT RELAN
Chairman cum Managing Director

T. J. CHACKO
Director (Operations)

NEERAJ BANSAL
Partner
Membership No. 095960

RITU BAKSHI
Company Secretary

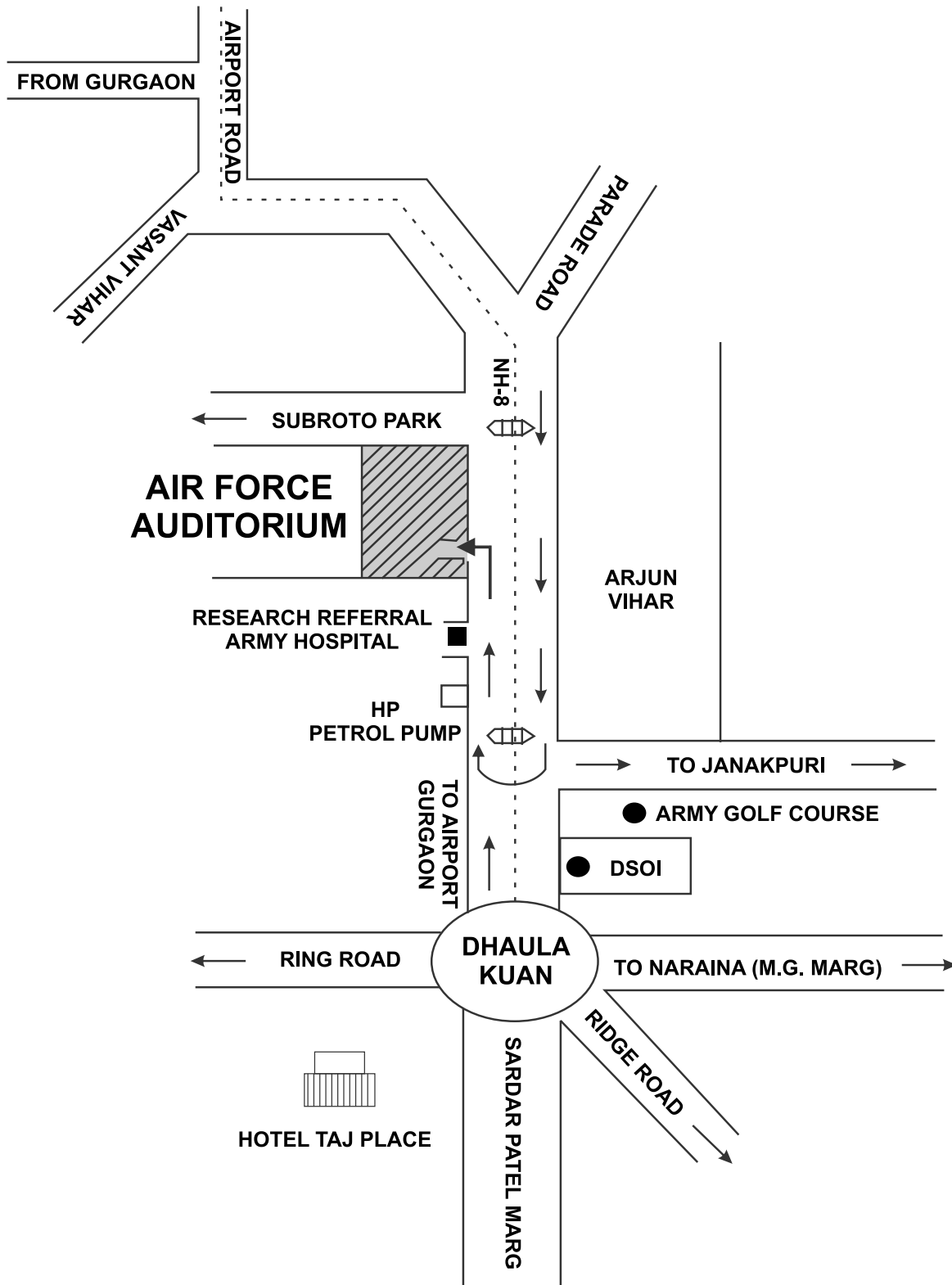
SANJEEV KUMAR
Chief Financial Officer

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

Place : New Delhi
Date : 20th April, 2017



ROUTE MAP FOR ANNUAL GENERAL MEETING



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



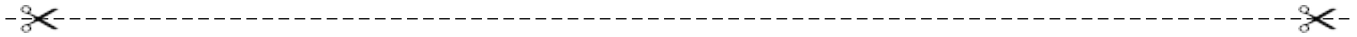
ATTENDANCE SLIP

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

EVSN: 170818015

I/WE HEREBY RECORD MY PRESENCE AT THE THIRTIETH ANNUAL GENERAL MEETING OF BHARAT SEATS LTD. BEING HELD AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI-110010 ON THURSDAY, 21ST SEPTEMBER., 2017 AT 11 A.M.

Member's Folio/DP ID-Client-ID Member's/ Proxy's name in Block Letters Member's/Proxy's Signature



PROXY FORM

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 30th Annual general meeting of the Company to be held on Thursday, the 21st day of September, 2017 at 11:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi 110010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Table with 2 columns: Resolution No., RESOLUTIONS. Rows include Ordinary Business (1-5) and Special Business (6-9).

Signed thisday of2017

Signature of shareholder Signature of proxy holder(s)

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Affix Re 1.00 Revenue Stamp



If undelivered please return to :

BHARAT SEATS LIMITED

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