



31ST ANNUAL REPORT 2017-2018

 **BHARAT SEATS LIMITED**



BHARAT SEATS LIMITED

BOARD OF DIRECTORS

- | | |
|-----------------------------|--|
| 1. MR. ROHIT RELAN | CHAIRMAN AND MANAGING DIRECTOR (DIN: 00257572) |
| 2. MR. TOSHIYA MIKI | DIRECTOR-NOMINEE-SUZUKI MOTOR CORPORATION, JAPAN (DIN: 07505339) |
| 3. MR. VENKAT RAMAN CHALLA | DIRECTOR-NOMINEE-MARUTI SUZUKI INDIA LIMITED (DIN: 07093663) |
| 4. MRS. SHARDA RELAN | DIRECTOR (DIN: 00252181) |
| 5. MR. AJAY RELAN | DIRECTOR (DIN: 00257584) |
| 6. MR. GIRISH NARAIN MEHRA | INDEPENDENT DIRECTOR (DIN: 00059311) |
| 7. MR. PRATEEP KUMAR LAHIRI | INDEPENDENT DIRECTOR (DIN: 00039653) |
| 8. MR. RAVINDRA GUPTA | INDEPENDENT DIRECTOR (DIN: 01521168) |
| 9. MRS. SHYAMLAKHERA | INDEPENDENT DIRECTOR (DIN: 06929439) |
| 10. MR. KISHAN N.PARIKH | INDEPENDENT DIRECTOR (DIN: 00453209) |
| 11. MR. ARVIND VARMA | INDEPENDENT DIRECTOR (DIN: 02225281) |

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.

REGISTERED OFFICE

1, NELSON MANDELA ROAD, VASANT KUNJ,
NEW DELHI-110070.

WORKS

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

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

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

PLANT 4
PLOT NO. 677 SECTOR 37 PACE CITY II, GURUGRAM(HARYANA)

PLANT 5
PLOT NO. 665, SECTOR-37, PACE CITY II, GURUGRAM (HARYANA)

PLANT 6
PLOT NO. 702, SECTOR-37, PACE CITY II, GURUGRAM (HARYANA)

AUDITORS

M/S S.R. BATLIBOI & CO. LLP
CHARTERED ACCOUNTANTS
GURUGRAM

LISTED AT

BSE LIMITED

CHIEF FINANCIAL OFFICER

SANJEEV KUMAR

COMPANY SECRETARY AND COMPLIANCE OFFICER

RITU BAKSHI

REGISTRAR AND SHARE TRANSFER AGENT

M/S ALANKIT ASSIGNMENTS LIMITED
3E/7, ALANKIT HEIGHTS,
JHANDEWALAN EXTENSION,
NEW DELHI - 110 055

E-MAIL AND WEBSITE

Investor_relations@bharatseats.net, www.bharatseats.com

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BHARAT SEATS LIMITED

(CIN: L34300DL1986PLC023540)

Registered Office: 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070.

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

Phone: +91 9810808631, Fax: 0124-2341188

NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Tuesday, 25th September, 2018 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, 2018 including the Audited Balance Sheet as at 31st March, 2018, Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution:**

“Resolved that the audited financial statements of the Company for the year ended 31st March, 2018 including the Audited Balance Sheet as at 31st March, 2018, Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted.”

2. To declare dividend on equity shares and in this regard pass the following resolution as an **Ordinary Resolution:**

“Resolved that pursuant to the recommendation of the board of directors of the Company, dividend at the rate of Re.1 per Equity share of Rs.2/- each on the paid up equity share capital of the Company be and is hereby declared to be paid to the members of the Company.”

3. To appoint Mr. Toshiya Miki (DIN: 07505339) who retires by rotation at this meeting as a Director and in this regard pass the following resolution as an **Ordinary resolution:**

“Resolved that pursuant to Section 152 of the Companies Act, 2013, Mr. Toshiya Miki (DIN: 07505339) who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By Order of the Board
For Bharat Seats Limited

Ritu Bakshi

Company Secretary

FCS No. 3401

Date: 10.8.2018

Place: Gurugram

Registered Office:

1, Nelson Mandela Road

Vasant Kunj, New Delhi 110070

NOTES:

1. (i) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing proxy (Proxy Form), in order to be effective must be deposited at the registered office of the Company, not less than 48 (Forty-Eight) hours before the commencement of the Annual General Meeting. Proxy Form is enclosed with the Notice.

Members are requested to note that a person can act as proxy on behalf of the Members not exceeding 50 (fifty) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, 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 proxy for any other person or member.

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, during the period beginning 24 (Twenty Four) hours before the time fixed for the commencement of the Annual General Meeting and ending with the conclusion of the Annual General Meeting, provided that not less than 3 (three) days of notice in writing is to be given to the Company.

- (ii) Members / proxies / authorized representatives are requested to bring duly filled admission / attendance slips sent herewith along with the notice of the Annual General Meeting at the Meeting.
- (iii) Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote in their behalf at the Meeting.
- (iv) In case of joint holders attending the Annual General Meeting, only such joint holders who is higher in the order of names will be entitled to vote.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 19th September, 2018 to Tuesday, 25th September, 2018, both days inclusive, for determining the entitlement of the shareholders to the Dividend for 2017-18, if declared.
3. The Dividend on Equity Shares, as recommended by the Board of Directors, if declared at the meeting, will be credited/ dispatched between 25th September, 2018 and 24th October, 2018 to those shareholders whose names appear in the Register of Members on 18th September, 2018, after giving effect to valid transfer requests lodged with the Company on or before 18th September, 2018. 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 the close of business hours on 18th September, 2018.
4. Members who hold shares in dematerialised form may kindly note that their Bank Account details, registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars 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.
5. The Company has transferred the unpaid or unclaimed dividends declared up to the financial years 2009-2010, from time to time on due dates to the Investor Education and Protection Fund(the IEPF) established by the Central Government.
6. Pursuant to the provisions of the IEPF(Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 , the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 21st September, 2017 (date of the previous Annual General Meeting) on the website of the IEPF Authority viz.www.iepf.gov.in and on the website of the Company and the same can be accessed through

the link: www.bharatseats.com/pdf/unclaimed-dividend-as-on-agm-21-9-2017.pdf.

7. Members are requested to note that, dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid dividend account of the Company, are liable to be transferred to the IEPF. The shares in respect of such unclaimed dividend are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company within the stipulated time line.

Due dates for transfer of unclaimed/ unpaid dividends for the financial year 2010-11 and thereafter to IEPF are as follows:

F.Y. Ended	Declaration Date	Due Date
March 31, 2011	August 4, 2011	September 1, 2018
March 31, 2012	July 26, 2012	August 24, 2019
March 31, 2013	July 29, 2013	August 26, 2020
March 31, 2014	July 21, 2014	August 18, 2021
March 31, 2015	July 17, 2015	August 14, 2022
March 31, 2016	July 20, 2016	August 17, 2023
March 31, 2017	September 21, 2017	October 19, 2024

8. (a) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during the financial year 2017-18, transferred to the IEPF Authority, all shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer i.e. October 31, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: www.bharatseats.com/pdf/website-disclosure-for-iepf-shares.pdf. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
- (b) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/ investors are advised to visit the weblink: www.iepf.gov.in/IEPFA/refund.html in Form IEPF-5 or contact Alankit Assignments Limited for lodging claim for refund

- of shares and/or dividend from the IEPF Authority. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
9. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
 10. To prevent fraudulent transactions, members are requested to notify any change in address or demise of any member, as soon as possible.
 11. Members holding shares in physical mode:
 - (a) are required to submit their permanent Account Number(PAN) and Bank account details to the Company/ Alankit Assignments Limited, if not registered with the Company as mandated by SEBI vide circular dated April 20, 2018 and circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73.
 - (b) are advised to register the nomination in respect of their shareholding in the Company.
 - (c) are requested to register/ update their email address with the Company/ Alankit Assignments Limited, for receiving all communications from the Company electronically.
 12. Members holding shares in electronic mode :
 - (a) are requested to submit their PAN and Bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - (b) are advised to contact their respective DPs for registering the nomination.
 - (c) are requested to register/ update their email address with their respective DPs for receiving all communications from the Company electronically.
 13. Details of the Director retiring by rotation at the ensuing Meeting, in pursuance to Regulation 26 (4) & clause 36(3), Chapter IV of the SEBI(Listing Obligations & Disclosure Requirements)Regulations, 2015, and Secretarial Standards in General Meeting issued by ICSI in respect of Directors seeking appointment/ reappointment at this Annual General Meeting is also annexed forms integral part of the notice.
 14. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly no resolution is proposed for ratification of appointment of Auditors who were appointed in the Annual General Meeting held on 21st September, 2017.
 15. Electronic copy of the Annual Report for 2017-18 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
 16. Electronic copy of the Notice of the Thirty First Annual General Meeting of the Company indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository participant, unless the member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Notice along with process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 17. 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. up to the date of Annual General Meeting. The above said shall also be available on the Company's website at: www.bharatseats.com.
 18. 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 Registrar 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
 19. 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.

20. The Company has designated an exclusive e-mail ID namely, investor_relations@bharatseats.net for receiving and addressing investors' grievances.

21. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through the electronic mode. Members are requested to support this green initiative by registering/ updating their email addresses, in respect of shares held in dematerialised form with their respective Depository participants and in respect of shares held in physical form with the Company or its Transfer Agent.

22. 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 providing facility to members to exercise their right to vote on resolutions proposed to be considered at the 31st 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 Annual General Meeting ("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 Annual General Meeting 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 Annual General Meeting, may also attend the Annual General Meeting, but shall not be entitled to cast their vote again.
- IV) The remote e-voting period begins on Saturday, 22nd September, 2018 at 9:00 a.m. and ends on Monday, 24th September, 2018 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 18th September, 2018, 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 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 email to helpdesk.evoting@cdslindia.com or send email 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. 18th Sep., 2018.



- VIII) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as on the cut off date i.e. 18th Sep., 2018, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or send email to Company at Investor_relations@bharatseats.net. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot Use Details/Password' option available on www.evotingindia.com.
- IX) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting 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 Annual General Meeting, 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 Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- XII) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, 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 Annual General Meeting, 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.

By Order of the Board
For Bharat Seats Limited

Ritu Bakshi
Company Secretary
FCS No. 3401

Place: Gurugram
Date: 10.8.2018

Registered Office:
1, Nelson Mandela Road
Vasant Kunj, New Delhi 110070

DETAILS OF DIRECTOR SEEKING 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 TOSHIYA MIKI
DIRECTOR IDENTIFICATION NUMBER	07505339
AGE	49 years
DATE OF JOINING THE BOARD	20.01.2017
QUALIFICATION	Graduate from Meijo University in Mechanical
EXPERIENCE INCLUDING EXPERTISE IN SPECIFIC FUNCTIONAL AREA	Mr Toshiya Miki has wide experience in Purchase Cost Control and Business Promotion. Presently, he is Executive Officer(Supply Chain) of MSIL with expertise in Purchase
TERMS & CONDITIONS OF APPOINTMENT/ RE-APPOINTMENT	As per the resolution at item no.3 of the Notice convening Annual General Meeting on 25 th September, 2018
REMUNERATION LAST DRAWN, INCLUDING SITTING FEES IF ANY	Rs.80,000/- (Sitting Fees only)
REMUNERATION PROPOSED TO BE PAID	As per existing terms and conditions
RELATIONSHIP WITH OTHER DIRECTORS/ KMP	- None -
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR	4
CHAIRMANSHIPS/ DIRECTORSHIPS HELD IN OTHER COMPANIES AS ON 31.03.2018	1. SONA KOYO STEERING SYSTEMS LIMITED 2. MARK EXHAUST SYSTEMS LIMITED
CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF OTHER COMPANIES AS ON 31.03.2018	None
NO. OF SHARES HELD IN THE COMPANY	None

BOARD'S REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Accounts for the year ended 31st March, 2018

FINANCIAL RESULTS

Rupees in lakhs

PARTICULARS	2017-2018	2016-2017
REVENUE FROM OPERATIONS	1,00,137.75	94777.38
OTHER INCOME	120.90	148.21
PROFIT BEFORE FINANCIAL CHARGES & DEPRECIATION	6581.48	3839.45
LESS: FINANCE COSTS	320.38	447.12
PROFIT BEFORE DEPRECIATION & TAXATION	6261.10	3392.33
LESS:		
A) DEPRECIATION	1911.08	1710.34
B) PROVISION FOR TAXATION		
- CURRENT TAX(NET OF MAT CREDIT ENTITLEMENT)	1542.02	425.20
- DEFERRED TAX	(61.34)	112.53
- ADJUSTMENT OF TAX RELATING TO EARLIER YEARS	47.83	(73.05)
NET PROFIT AFTER TAX	2821.51	1217.31
ADD: OTHER COMPREHENSIVE INCOME, NET OF TAXES	(19.21)	(7.59)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2802.30	1,209.72
TRANSFER TO GENERAL RESERVE	-	-
BALANCE CARRIED FORWARD TO BALANCE SHEET	2802.30	1209.72

FINANCIAL HIGHLIGHTS AND OPERATIONS

The revenue from operations and other income for the financial year under review was Rs. 100,258.65 lakhs as against Rs 94,925.59 lakhs for the previous financial year, i.e. an increase by 5.62%. The profit before finance costs, depreciation and taxation is Rs.6581.48 lakhs for the financial year under review as against Rs 3839.45 lakhs for the previous financial year, i.e. increase by 71.42%. The profit after tax increased to Rs. 2821.51 lakhs, as compared to Rs. 1217.31 lakhs for the previous financial year, i.e. increase by 131.78%. Total comprehensive income for the year increased to Rs. 2802.30 lakhs as compared to Rs. 1209.72 lakhs for the previous financial year, i.e. increase by 131.65%. This is mainly due to increase in volumes and other cost saving measures taken by the Company.

TPM ACTIVITY

To achieve vision, mission and business objectives, we are practicing TPM which is a proven world class practice and we had experienced the benefits of the same methodology.

We have started TPM activity first time in year 1999 at Gurugram Plant under the able guidance of Yamaguchi san and mentoring of our Chairman and Managing Director, Mr. Rohit Relan and learnt numerous new tools and techniques and achieved positive results and BSL

Gurugram plant was awarded with Excellence Award in 2006 by JIPM (Japan Institute of Plant Maintenance).

Now Bharat Seats Limited (BSL) at Group Level has started TPM activity under the able guidance of Kuramitsu san(TPM Consultant from JMAC, Japan) and mentoring of our CMD, Mr. Rohit Relan. We launched the same in July 2017 with total Management commitment. Now Gurugram Plant has started activity for Second Level Award which is Consistence in Excellence and Manesar, Bhorakalan and TRIM plants are going for Excellence Award in 2020.

To achieve the said objective and award, all manufacturing locations of BSL have started working for model machine (one each in each plant) achieved significant improvements and results in terms of PQCDSE (Productivity, Quality, Cost, Delivery, Safety, Morale and Environment).

TPM kick-off happened in February 2018 in the presence of esteemed guest from our valuable customer (MSIL), our Key Suppliers, Mr. Rohit Relan CMD and BSL Team and Pillars. Now we are in the expansion phase to implement TPM Activity at all manufacturing locations with emphasis on Kaizen, Autonomous Maintenance, Focused Improvements and other Improvement project, activities and actions initiated as per the guidelines of Kuramitsu san.

TRANSFER TO GENERAL RESERVE

During the F.Y 2017-18, the Company has not transferred any amount to General Reserve.

DIVIDEND

Your Directors are pleased to recommend for the approval of the shareholders at the 31st Annual General Meeting, a dividend of 50% (Re 1/- per equity share) for the financial year ended 31.03.2018. The dividend shall be subject to tax on dividend to be paid by the Company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

- a. The members of the Company are informed that the dividends that remain unpaid / unclaimed for a period of 7 (seven) years from the date of transfer to the Unpaid / Unclaimed dividend account are required to be transferred to the Investor Education & Protection Fund (IEPF) Authority established by the Central Government.

Accordingly, during the financial year under review, the Company has transferred Unpaid/ Unclaimed dividend amounting to Rs.1,65,740 lying with the Company for a period of seven years pertaining to the financial year ended on March 31st, 2010.

- b. The members of the Company are also informed that as per the new provisions introduced in the year 2016, underlying equity shares on which dividend remain Unpaid/Unclaimed for a period of 7 (seven) consecutive years are required to be transferred to the Investor Education & Protection Fund (IEPF) Authority established by the Central Government.

Accordingly, during the financial year under review, the Company has transferred the following shares to IEPF Authority:

- (i) 40,827 equity shares in respect of which dividend have not been claimed by the members for seven consecutive years pertaining to the financial year ended on Marh 31, 2010, upto financial year 2016.

SHARE CAPITAL

There is no change in the capital structure of the Company.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business during the financial year 2017-2018 under review.

AWARDS AND RECOGNITION

During the year, your Company has been awarded:

1. Certificate for Yield Improvement
2. Shield for Overall Performance at Vendor Conference of Maruti Suzuki India Limited, held in Singapore.

Your Company has been awarded:

- a certificate for Fire Safety at Vendor Conference of Maruti Suzuki India Limited held in May, 2018; and
- a shield for cost reduction from Suzuki Motor Cycle India Private Limited.

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 A-, 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 web link: <http://www.bharatseats.com/investors/> Policy on Related Party Transactions.

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

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

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

BOARD ANNUAL EVALUATION

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 to be carried out by the Company.

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

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS:

During the year under review, Mr. T.J. Chacko, Director (Operations) ceased to be Director of the company due to expiry of his tenure as Whole time Director w.e.f. 30.11.2017.

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Mr. Toshiya Miki (DIN: 07505339) retire by rotation at the ensuing Annual General Meeting.

The Board recommends his re-appointment.

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 there under as well as SEBI(Listing Obligations And Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL (KMP)

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

CORPORATE GOVERNANCE

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

The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 been included in this Annual Report as a separate section, along with 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 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 web link:

[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 and there was no unspent amount during the financial year. The detail 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, 2018 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 at 31st March, 2018 and of the Profit or Loss of the Company for the year ending 31st March, 2018;

- (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 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

There was no transaction falling under the provision of Section 186 during the financial year under review.

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 web link: [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

The shareholders of the Company at last AGM held on September 21, 2017 appointed M/s S.R. Batliboi & Co. LLP Chartered Accountants, LLP, (ICAI Firm Registration No. 301003E/E300005, as the Statutory Auditors of the Company for an initial term of 5 years, subject to ratification by members at every Annual General Meeting, if required under the provisions of the Companies Act, 2013. However, the Companies Amendment Act, 2013 has deleted the condition of ratification of statutory auditors and accordingly they hold their office till the conclusion of Annual General Meeting to be held in 2022.

The Auditors' Report given by M/s S.R. Batliboi & Co. LLP, Statutory Auditors on the financial statements of the Company for the year ended March 31, 2018 is part of the Annual Report. The Auditors' Report does not contain any qualification, reservation or adverse remark. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

(b) Secretarial Auditors

In accordance with the provisions of the Section 204 read with the Companies (Appointment And Remuneration of Managerial personnel) Rules, 2014, the Secretarial Audit was carried out by Mr. R S Bhatia, Practising Company Secretary for the Financial year: 2017-18. The report of Secretarial Auditor for the financial year 2017-18 is annexed herewith marked as Annexure VIII to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

SAFETY

SAFETY FIRST is what the Company preaches and practise. It is an oath. With the regular guidance from safety team of MSIL, today Bharat Seats Limited (BSL) is among the top companies which has made safe work practices its culture.

Installation of Aerosol Fire Detection and Suppression System at all manufacturing locations for special Hazard Fire Protection is in itself a unique approach pioneered and installed by BSL.



Besides this the environmentally friendly practices, fire extinguishers of MAP 90%, thermography test, adherence to NBC 2016, NOC from fire office and regular third party inspections speaks of the commitment.

The review mechanism, monitoring and mock drills happen periodically and is carried out none other than by the CMD, Mr. Rohit Relan. SHE (Safety, Health and Environment) training is imparted to all employees at all levels.

EFFECTIVE MANAGEMENT SYSTEMS

The Company is system certified for IATF (International Automotive Task Force) 16949 for quality, ISO 14001 for Environment and OHSAS for Occupational Health and Safety.

OHSAS is internationally recognized model for occupational Health and Safety Assessment series for Management Systems. The Company focuses to control all the risks involved in all the functions across the company even before they could happen.

Our Chairman and Managing Director, Mr. Rohit Relan focus on effective mitigation of all the likely risks involved, has led to all employees feeling a safe and healthy working environment thus resulting them in performing at their optimum level of competence.

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: 2017-18:

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

SHARES

a. Buy Back Of Securities

The Company has not bought back any of its securities during the year under review.

b. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

c. Bonus Shares

No Bonus Shares were issued during the year under review.

d. Issue of Shares with Differential Rights

The Company has not issued any Shares with differential rights during the year under review.

e. Issue of Shares under Employee Stock Option Scheme

No such issue of shares under employee stock option scheme was made.

f. Issue of Shares through Private Placement- Nil

g. Issue of Equity Shares without Differential Voting Rights- Nil

ACKNOWLEDGEMENTS

The Directors place on record their deep appreciation of the valuable assistance and co-operation extended to the Company by Suzuki Motor Corporation, Japan, Maruti Suzuki India Ltd., Suzuki Motorcycle India Private Limited, Toyo Seat Co. Ltd., Japan, Houwa Kogyo Co Ltd., Japan, Inoac Corporation, Japan, State Bank of India, Bank of Tokyo- Mitsubishi UFJ Ltd., Yes Bank Ltd., HDFC 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

Place : Gurugram (Rohit Relan)
Dated : 10.8.2018 Chairman and Managing Director

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	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	Transaction repetitive in nature	Upto a max.of Rs.1200 crores per annum	20.04.2017	NIL	27.12.2014
2.	Maruti Suzuki India Limited	Associate Company	Sale of tooling, job charges	Transaction repetitive in nature	Upto a max.of Rs.50 crores per annum	20.04.2017	NIL	27.12.2014
3.	Maruti Suzuki India Limited	Associate Company	Payment of Lease Rent	Transaction repetitive in nature	Upto a max.of Rs.50 lakhs per annum	20.04.2017	NIL	27.12.2014
4.	Maruti Suzuki India Limited	Associate Company	Purchase of Electricity	Transaction repetitive in nature	Upto a max. of Rs.30 crores per annum	20.04.2017	NIL	27.12.2014
5.	Sharda Motor Industries Limited	Associate Company	Purchase of Goods, materials	Transaction repetitive in nature	Upto a max. of Rs.500 crores per annum	20.04.2017	NIL	27.12.2014
6.	Sharda Motor Industries Limited	Associate Company	Purchase of Tooling, job charges	Transaction repetitive in nature	Upto a max. of Rs.100 crores per annum	20.04.2017	NIL	27.12.2014
7.	Toyo Sharda India Pvt. Ltd.	Associate Company	Sale, purchase or supply of Goods, materials	Transaction repetitive in nature	Upto a max. of Rs.25 crores per annum	20.04.2017	NIL	27.12.2014
8.	Toyo Sharda India Pvt. Ltd.	Associate Company	Sale of Tooling/ Job Charges	Transaction repetitive in nature	Upto a max. of Rs.3.50 crores per annum	20.04.2017	NIL	27.12.2014
9.	Toyo Sharda India Pvt. Ltd.	Associate Company	Lease Rent to be received	Transaction repetitive in nature	Upto a max. of Rs.30 lakhs per annum	20.04.2017	NIL	27.12.2014
10.	Toyo Sharda India Pvt. Ltd.	Associate Company	Marketing Fees to be received	Transaction repetitive in nature	Upto a max. of Rs.50 Lakhs per annum	20.04.2017	NIL	27.12.2014
11.	Toyo Sharda India Pvt. Ltd.	Associate Company	Sharing of expenses on housekeeping, security and utilities etc.	Transaction repetitive in nature	Upto a max. of Rs.40 Lakhs per annum	20.04.2017	NIL	27.12.2014

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, 2018.

(A) CONSERVATION OF ENERGY**(i) the steps taken or impact on conservation of energy**

The following steps have been implemented to save electricity:

Gurugram Plant

PU line-1 MCU unit converted in rail closing in place of electrical motor. Power saving 26180 kwh / Year

Manesar Plant

200 KW solar power plant has been installed in Manesar plant for alternative power generation.

This Solar plant is alternate power source, which generated approx. 221000 kwh during 2017-18.

In canteen auto timer provided to switch off power during idle time. Power saving 5184 kwh / year

In cooling tower fan motor auto timer provided to switch motor during winter season. Power saving 2880 kwh / year

Bhorakalan Plant

LED light provided in shop floor in place of normal light in Bhorakalan plant.

Total electricity saving 17280 kwh / Year.

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

Solar Plant has been installed.

(iii) the capital investment on energy conservation equipments.

Capital investment on Solar Plant is Rs.10,025,000/-.

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 Hatch-Backs, Sedans and SUV segment vehicles.
- b) Moulded floor carpets for 4-wheelers.
- c) Extrusion components for vehicle roof and windshield installation for Maruti Suzuki India Limited.
- d) In developing the Seats and the complete frame assembly (2-Wheelers) for Suzuki Motorcycle India Private Ltd.

Currently your R&D department has slew of new product's development and 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", considering safety and upcoming regulatory requirement viz. implementing Child Seat anchorage(Iso-fix & Top Tether) system and Seat Belt Reminders. The similar systems as add-on are launched for upcoming SUV vehicle "Brezza", "Ciaz" and "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'. Along with this, in seating business, your R&D has launched seating system for flagship model of Suzuki Motorcycle India Limited highest selling 'Suzuki Access' and Extrusion parts for newly launched 'Ignis', 'D'zire' and upcoming projects from Maruti Suzuki India Limited. Your R&D was awarded at the recent vendor meet of Suzuki Motor Cycle India Private Limited for Value Analysis & Value Engineering project that was aimed at reducing the cost of process.

R&D has launched many initiatives for development of its people and products like Virtual Product Test System (Computer Aided Engineering / CAE) to make R&D team more equipped with latest technologies that will help to design the products with more confidence. R&D has invested in Virtual testing facility with latest software like Nastran, LD-Dyna, 1-step forming analysis, Tube Bending analysis and Hyper-mesh. This technology will help to bolster the confidence of engineers doing the product design before huge investment is committed for making

prototype and conducting physical testing. This will yield cost optimization by reducing modifications post launch as well as ensure quality of the product before start of production. This will yield faster product launches and reduced time to market.

Benchmarking Room- This has been followed for finding better features in terms of design, processes and cost optimization. This will help your R&D to improve the yield and overall reduction of quality.

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

Proto Room - For validation and verification of design concept while the product is in development phase. This will ensure flawless launch of products.

Dedicated Program Management Team is involved that will act as SPOC (Single Point of Contact) between Customers and other CFT members. PM team shall support the launch activities and ensure the customer timelines are met before time.

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, Fisher Dynamic for Seat mechanisms etc.

Technology Transfer -

The new technologies that your R&D is working on is high tensile steel stamping, AWP (Active Wire-feed Process) welding, Cold Metal Transfer (CMT). These new technologies being employed to reduce weight of product, which in turn will improve fuel efficiency of the vehicle as a green initiative also ensuring the safety of Seating System. Experts from these reputed organizations 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 a result of above R&D**

Your R&D has launched many initiatives for development of its people and products like:

- a. Benchmarking activity –For finding better features in-terms of design, processes and latest technologies and trends in forth coming / future project launches.
- b. War Room – Initiative for review mechanism of new product launches so that the customer milestones are met without any delay.
- c. Proto room – For validation and verification of design concepts, new project trials, innovation projects etc.

Such initiatives will continue to bolster people development, deployment of technologies etc. along with retention of employees for long-term association with organization.

3) **R&D future plans**

Going forward, your R&D focus is towards achieving;

- (a) Global standards in comfort, craftsmanship and safety, while also manufacturing global quality products in an environment friendly way.
- (b) Developing / attracting high-end R& D talent, especially in innovative products, safety, materials engineering, electrical and electronics engineering and automotive interiors.
- (c) People development through Trainings across the TA partners / sister concern organizations.
- (d) Process based approach to launch new products which will improve efficiency as well of quality of product.
- (e) Lean Management in design, common parts, modular design concept by retaining talent.
- (f) TGR and TGW / lessons learned will be implemented across the future projects and also backward integration of the same for current running projects.

For all above initiatives 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, Fisher Dynamics for mechanisms etc.

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. 40.72 lakhs
- b) Recurring Rs. 193.67 lakhs
- c) Total Rs. 234.39 lakhs
- d) Total R&D expenditure as a percentage of total turnover 0.23%

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

Bharat Seats Limited is continuously undertaking product development / improvement for existing as well as new products with the help of in-house 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. In-house deployment of technologies has reduced the cost of production.
- c. Flexible lines by using modular concept have been installed by your Company to launch new products 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	2015-2016	Yes
- For manufacture of moulded carpets and seating system for four wheelers		Yes
- For Manufacture of Two Wheeler Seat Assemblies		Yes
- For Manufacture of extruded components for automobiles		Yes
- For continuous improvement	2016-2017	Yes
- For manufacture of moulded carpets and seating system for four wheelers		Carpet with Sound absorption technology – In Transition phase of absorption
- For Manufacture of Two Wheeler Seat Assemblies		Yes
- For Manufacture of extruded components for automobiles.		Yes
- For continuous improvement	2017-2018	Yes
- For manufacture of moulded carpets and seating system for four wheelers		Yes
- For manufacture of Two Wheeler Seat Assemblies		Yes
- For manufacture of extruded components for automobiles		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.1138.93 lakhs (Rs. 1496.64 lakhs). Other expenditure in foreign currency relating to travelling, training and technical fees amounted to Rs.280.41 lakhs (Rs. 286.21 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.1268.02 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 25.36 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. 25.36 lakhs The Company has spent Rs.26.23 lakhs, i.e. over two percent of the average net profits for the last three years As per Annexure

1	2	3	4	5	6	7	8
Sr.No.	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs 1. Local Area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub-heads: 1. Direct expenditure on projects or programs 2. Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Health Care & Sanitation	Health Care & Sanitation	Delhi	Rs.23.23 lakhs	Rs.23.23 lakhs	Rs.23.23 lakhs	Through Implementing Agency
2	Education	Education	Delhi	Rs.3 lakhs	Rs.3 lakhs	Rs.3 lakhs	Through Implementing Agency

6. Reason for not spending the amount: Not Applicable

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

ROHIT RELAN
Chairman and Managing Director

RAVINDRA GUPTA
Chairman-CSR Committee

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

 [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	1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Alankit Assignments Limited. 3E/7, Alankit Heights, Jhandewalan Extension, New Delhi-110055

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Car Seats Assemblies	2930	89%
2.	Carpet Sets for Automobiles	2930	2%
3.	Motorcycle seats	2930	3%
4.	Other sales & traded goods	2930	6%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. 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 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/ HUF	5035458	-	5035458	16.03	5035458	-	5035458	16.03	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	13670000	-	13670000	43.54	13670000	-	13670000	43.54	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	18705458		18705458	59.57	18705458		18705458	59.57	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	4650000	-	4650000	14.81	4650000	-	4650000	14.81	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	4650000		4650000	14.81	4650000		4650000	14.81	-
Total shareholding of Promoters (A)=(A)(1)+A(2)	23355458		23355458	74.38	23355458		23355458	74.38	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1000	-	1000	-	1000	-	1000	-	-
b) Banks / FI	34000	-	34000	0.11	34000	-	34000	0.11	-
c) Central Govt	-	-	-	-	40827	-	40827	0.13	0.13
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (FPIs)	-	-	-	-	90523	-	90523	0.29	0.29
Sub-total(B)(1)	35000		35000	0.11	166350		166350	0.53	0.42
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	660696	8010	668706	2.13	896113	6010	902123	2.87	0.74
(ii) Overseas	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5757303	482971	6240274	19.87	5272316	406139	5678455	18.08	(1.79)
c) Others(Specify)	56097	-	56097	0.18	56097	-	56097	0.18	-
Sub-total(B)(2)	7518561	490981	8009542	25.51	7466043	412149	7878192	25.09	(0.42)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	7553561	490981	8044542	25.62	7632393	412149	8044542	25.62	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30909019	490981	31400000	100	30987851	412149	31400000	100	-

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year(as on 01.04.2017)			Shareholding at the end of the year(as on 31.03.2018)			% 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	4650000	14.81	-	4650000	14.81	-	-
2.	Suzuki Motor Corporation Japan	4650000	14.81	-	4650000	14.81	-	-
3.	Sharda Motor Industries Limited	9000000	28.66	-	9000000	28.66	-	-
4.	N.D. Relan H.U.F	51500	0.16	-	51500	0.16	-	-
5.	Sharda Relan	1251350	3.99	-	1251350	3.99	-	-
6.	Rohit Relan	310500	0.99	-	310500	0.99	-	-
7.	Rohit Relan H.U.F	344500	1.10	-	344500	1.10	-	-
8.	Ajay Relan	317108	1.01	-	317108	1.01	-	-
9.	Ajay Relan H.U.F	302700	0.96	-	302700	0.96	-	-
10.	Ritu Relan	272500	0.86	-	272500	0.86	-	-
11.	Mala Relan	398500	1.27	-	398500	1.27	-	-
12.	Rishabh Relan	349000	1.11	-	349000	1.11	-	-
13.	Pranav Relan	410500	1.31	-	410500	1.31	-	-
14.	Ayush Relan	195800	0.62	-	195800	0.62	-	-
15.	Aashita Relan	465500	1.48	-	465500	1.48	-	-
16.	Aashim Relan	366000	1.17	-	366000	1.17	-	-
17.	Relan Industrial Finance Limited	20000	0.06	-	20000	0.06	-	-
	Total	23355458	74.38		23355458	74.38		

iii. Change in Promoters' Shareholding (please specify, if there is no change-NO Change

Sr. 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	23355458	74.38		
	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):	- No change -			
	At the End of the year			23355458	74.38

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) in shareholding	Reason for change	Cumulative Shareholding during the year	
		At the beginning (1.4.17)	% of total Shares of the company				No. of Shares	% of Total shares of the company
1	OCTAL SECURITIES AND SERVICES P.LTD.	-	-	01.04.2017				
				14.9.2017	311977	Transfer	311977	0.99
				23.3.2018	(135000)	Transfer	176977	0.56
				31.3.2018			176977	0.56
2	SUNITA SANTOSH GOENKA	171,285	0.55	01.04.2017				
				15.9.2017	(5,000)	Transfer	166,285	0.53
				31.3.2018			166,285	0.53
3	NILAM KUMARI KAPUR	152,328	0.49	01.04.2017				
				31.03.2018			152,328	0.49
4	SUPRIYA PUNIT AGARWAL (SUPRIYA SANTOSH GOENKA)	146,941	0.47	01.04.2017				
				31.03.2018			146,941	0.47
5	SANTOSH SITARAM GOENKA	161,855	0.52	01.04.2017				
				08.09.2017	(5000)	Transfer	156,855	0.50
				22.9.2017	(27867)	Transfer	128,988	0.41
				13.10.2017	(6000)	Transfer	122,988	0.39
				27.10.2017	6208	Transfer	129,196	0.41
				10.11.2017	(3800)	Transfer	125,396	0.40
				5.1.2018	2924	Transfer	128,320	0.41
				12.1.2018	6855	Transfer	135,175	0.43
				23.2.2018	100	Transfer	135,275	0.43
		31.3.2018			135,275	0.43		



Sr. No.	Shareholder's name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason for change	Cumulative Shareholding during the year			
		At the beginning (1.4.17)	% of total Shares of the company				No. of Shares	% of Total shares of the company		
6	NILAM KUMARI KAPUR	87,218	0.28	01.04.2017						
				21.04.2017	2500	Transfer	89,718	0.29		
				28.04.2017	1500	Transfer	91,218	0.29		
				26.05.2017	2000	Transfer	93,218	0.30		
				2.6.2017	1500	Transfer	94,718	0.30		
				28.07.2017	6000	Transfer	100,718	0.32		
				24.11.2017	(1000)	Transfer	99,718	0.32		
				22.12.2017	1000	Transfer	100,718	0.32		
				5.1.2018	3000	Transfer	103,718	0.33		
				19.1.2018	2000	Transfer	105,718	0.34		
				9.2.2018	10968	Transfer	116,686	0.37		
				16.2.2018	4000	Transfer	120,686	0.38		
				23.2.2018	4231	Transfer	124,917	0.40		
				2.3.2018	1000	Transfer	125,917	0.40		
		7	OCTAL REALCON P.LTD.	-	-	01.04.2017				0.00
				14.9.2017	100000	Transfer	100,000	0.32		
				31.3.2018			100,000	0.32		
8	M L BHANOT			98,578	0.31	01.04.2017				
						31.3.2018			98,578	0.31
9	VIJAY AGGARWAL			-	-	01.04.2017				
						15.9.2017	25000	Transfer	25000	0.08
						22.9.2017	(10000)	Transfer	15000	0.05
						20.10.2017	65024	Transfer	80,024	0.25
						31.3.2018			80,024	0.25
10	DILIP KUMAR PATNI			-	-	1.4.2017				
						30.3.2018	80,000	Transfer	80,000	0.25
						31.3.2018			80,000	0.25
11	AKUM MERCANTILE COMPANY PVT. LTD.			96,340	0.31	01.04.2017				
						28.04.2017	(10975)	Transfer	85,365	0.27
		13.10.2017	(15000)			Transfer	70,365	0.22		
		22.12.2017	(8580)			Transfer	61,785	0.20		
		16.2.2018	(8850)			Transfer	52,935	0.17		
				31.3.2018			52,935	0.17		
12	SUNIL KUMAR GUPTA	95,000	0.30	01.04.2017						
				07.04.2017	(2500)	Transfer	92,500	0.29		
				14.04.2017	(2500)	Transfer	90,000	0.29		
				28.04.2017	(5000)	Transfer	85,000	0.27		
				2.6.2017	(5000)	Transfer	80,000	0.25		
				21.7.2017	(10000)	Transfer	70,000	0.22		
				11.08.2017	(5000)	Transfer	65,000	0.21		
				15.09.2017	(5000)	Transfer	60,000	0.19		
				13.10.2017	(5000)	Transfer	55,000	0.18		
				17.11.2017	(5000)	Transfer	50,000	0.16		
				5.1.2018	(5000)	Transfer	45,000	0.14		
				31.3.2018			45,000	0.14		

Sr. No.	Shareholder's name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason for change	Cumulative Shareholding during the year	
		At the beginning (1.4.17)	% of total Shares of the company				No. of Shares	% of Total shares of the company
13	PRABHA BHANOT	66,000	0.21	01.04.2017				
				31.3.2018			66,000	0.21
14	NASIRUDIN HYDERALI JAVERI	65,260	0.21	01.04.2017				
				26.05.2017	300	Transfer	65,560	0.21
				7.7.2017	100	Transfer	65,660	0.21
				21.7.2017	(150)	Transfer	65,510	0.21
				4.8.2017	(100)	Transfer	65,410	0.21
				18.8.2017	(150)	Transfer	65,260	0.21
				15.09.2017	(700)	Transfer	64,560	0.21
				22.9.2017	(300)	Transfer	64,260	0.20
				30.9.2017	(1900)	Transfer	62,360	0.20
				1.12.2017	(450)	Transfer	61,910	0.20
				9.3.2018	(100)	Transfer	61,810	0.20
		16.3.2018	(50)	Transfer	61,760	0.20		
				31.3.2018			61,760	0.20

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year : 1.4.2017		Shareholding at the end of the year : 31.3.2018	
		No. Of shares	% of total shares of the Company	No. Of shares	% of total shares of the Company
1	MRS SHARDA RELAN	1251350	3.99	1251350	3.99
2	MR. ROHIT RELAN	310500	0.99	310500	0.99
3	MR. AJAY RELAN	317108	1.01	317108	1.01
4	MR. G.N.MEHRA	20000	0.06	0	0
5	MR. KISHAN N.PARIKH	8000	0.02	8000	0.02
6	MR.SANJEEV KUMAR	6557	0.02	2000	0.01

V. INDEBTEDNESS

(Rs. in lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4943.35	1311.68	-	6255.03
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	-	6264.82
Change in Indebtedness during the financial year				
- Addition	-	1390.00	-	1390.00
- Reduction	(4075.66)	(1036.70)	-	(5112.36)
Net Change	(4075.66)	353.30	-	(3722.36)
Indebtedness at the end of the financial year				
i) Principal Amount	861.48	1647.60	-	2536.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.38	-	-	6.38
Total (i+ii+iii)	867.86	16474.60	-	2542.46

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

(Rs. in lakhs)

SI. No.	Particulars of Remuneration	Name of Chairman and Managing Director/ Whole- Time Director		Total Amount
		Mr. Rohit Relan	Mr. T J Chacko	
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	108.00	12.48	120.48
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15.00	16.21	31.21
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission - as % of profit - others, specify	-	-	-
	Others, (Contribution to PF)	14.43	1.67	16.10
	Total(A)	137.43	30.36	167.79
	Ceiling as per the Act	within the limits		

B. Remuneration to other directors:

(Rs. in lakhs)

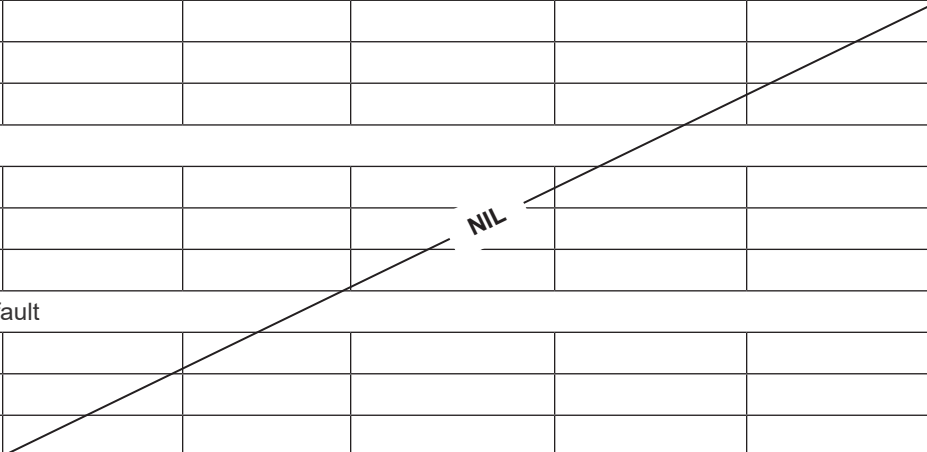
SI. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Mehra	Mr. Lahiri	Mr. Gupta	Mrs. Kherra	Mr. Varma	Mr. Parikh	
1	<u>Independent Directors</u> -Fee for attending board committee meetings -Commission -Others, please specify	6.40 - -	6.00 - -	4.80 - -	4.00 - -	2.40 - -	0.40 - -	24.00 - -
	Total(1)	6.40	6.00	4.80	4.00	2.40	0.40	24.00
		Mrs. Sharda Relan	Mr. C V Raman	Mr. T. Miki	Mr. Ajay Relan			
2	<u>Other Non-Executive Directors</u> -Fee for attending board/ committee meetings -Commission -Others, please specify	1.20 - -	1.60 - -	0.80 - -	1.20 - -			4.80
	Total(2)	1.20	1.60	0.80	1.20			4.80
	Total(B)=(1+2)	7.60	7.60	5.60	5.20	2.40	0.40	28.80
	Total Managerial Remuneration	NIL						
	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		
		Company Secretary	CFO	Total
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.91	33.49	49.40
	(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			
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission - as % of profit - others, specify...	-	-	-
	Others, please specify	-	-	-
	Total	15.91	33.49	49.40

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)	
A. Company						
Penalty						
Punishment						
Compounding						
B. Directors						
Penalty						
Punishment						
Compounding						
C. Other Officers In Default						
Penalty						
Punishment						
Compounding						

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 : 2017-2018 :

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 and Managing Director	Rs. 137.42 Lakhs	B.Com(hons.), F.C.A., Owner/ President Management Programme from Harvard Business School	6-3-1986	39 Years	63 years	M/S S.P. Marwah & Co., Chartered Accountants	0.99%
Mr. T J Chacko	Sr. VP	Rs. 60.80 Lakhs	B.E (Mech)	18-11-1997	46 Years	73 Years	VXL India Limited	-
Mr. Rajat Bhandari	Sr. VP	Rs. 56.40 Lakhs	FCA & CS	01-10-2008	29 Years	53 Years	Federal Mogul Goetze India Ltd.	0.01%
Mr. Hari Das Nair	V.P.-HR	Rs. 41.60 Lakhs	Master in Personal Management & Industrial relations	16-01-2017	21 Years	52 years	MICR Electronics Ltd.	-
Mr. Sunil Bhatia	A.V.P. (Operations)	Rs. 43.41 Lakhs	PGD (Die & Mould) PGD (Operation Management)	20-10-2014	32 Years	54 years	Omax Auto Ltd.	-
Ms. Padma Panikkar	AVP	Rs. 42.36 Lakhs	Graduate	01-05-1987	31 Years	63 Years	Oberoi Hotel	-
Mr. M Shariq Qureshi	VP- Operations	Rs. 36.47 Lakhs	PGPM Dual specialization in Operation research & international Business	22-03-2010	28 Years	50 Years	Rico Auto Industries Ltd.	-
Mr. Rishabh Relan	COO	Rs. 35.61 Lakhs	BSc in Industrial Engineering & Diploma-6 Sigma in lean manufacturing	16-08-2012	6 Years	27 Years	-	1.1%

EMPLOYED FOR PART OF FINANCIAL YEAR : 2017-2018 :

Name	Designation and Nature of Duties	Remuneration Gross (Rs.)	Qualifications	Date of Commencement of Employment	Total Experience	Age in Years	Last Employment	Percentage Equity
Mr. Ashwani Aggarwal	Business Head- Business development	37.34 Lakhs	B. Tech (Mechanical)	01-12-2017	36 Years	59 Years	Brose India Automotive Systems Private Limited	-
Mr. Sanjay Verma	G M - Operations	12.96 Lakhs	B.E.	15-11-2017	19 Years	42 Years	Renault Nissan	-

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. MR. RISHABH RELAN IS RELATED TO Mr. ROHIT RELAN, CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY. OTHER THAN MR ROHIT RELAN, NONE OF THE ABOVE MENTIONED EMPLOYEE IS RELATIVE OF ANY OTHER DIRECTOR/ MANAGER.

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 and Managing Director	73.71

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 and Managing Director	15.14%
ii)	Mr. Sanjeev Kumar, Chief Financial Officer	22.21%
iii)	Ms. Ritu Bakshi, Company Secretary	15.71%

3. The percentage increase/ decrease in the median remuneration of employees in the financial year is 34.35%
4. Total number of permanent employees on the rolls of company as on March 31st 2018 is 424.
5. 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 2017-18	8%	12%

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

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 and 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 and 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 and 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
 - Behavioural
- Internal and External Sourcing for each position
- Minimum Three rounds of personal meeting/ panel interview takes place for Manager and above level positions
- Each member evaluate the interviewee on prescribed format against position specific competence
- Manager and above level positions are finalized with involvement of CMD essentially

Retention and Nurturing of Talent

- Fair Remuneration and 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

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
[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 Members,

Bharat Seats Limited

CIN : L34300DL1986PLC023540

Regd. Office: 1, Nelson Mandela Road,

Vasant Kunj, New Delhi -110070.

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 me with 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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ("the Acts') and the rules made there under, ;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, and External Commercial Borrowings. Further, there was no transaction of Overseas Direct Investment which was required to be reviewed during the period under audit.;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not applicable as the Company did not issue any security during the financial year under review];
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. [Not Applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review];
 - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 –[Not applicable as the Company has not issued and listed any debt securities during the financial year under review];
 - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client –[Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent]
 - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 –[Not applicable as the Company has not delisted / propose to delist its equity shares from the stock exchange during the financial year under review]; and



h. Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 [Not applicable as the Company has not bought back / proposed to buy back any of its securities during the financial year under review].

vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management:

a. Explosives Act, 1884

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) Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Acts and the Listing Agreement/Regulations;
2. Adequate notice(s) were given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance to all Directors. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
3. All the decisions at the Board Meetings and Committee meetings were carried through with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. The dissenting members' views, if any, were captured and recorded as part of the minutes.
4. As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act
5. There are adequate systems & processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations & guidelines.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) of the Chairman and Managing Director, Sr. V.P(Strategic Planning), V.P(HR), Chief Financial Officer and Company Secretary taken on record by the Board of Directors at its meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with the specifically applicable laws, rules, regulations and guidelines.

I further report that

- a) The shareholders of the Company in its Annual General Meeting held on September 21, 2017 have approved the appointment of M/s. S.R. Batlioi & Co. LLP, Chartered Accountants, LLP, (ICAI Regn. No.301003E/E300005), as the Statutory Auditors of the Company to hold office for a term of five years (subject to ratification of their appointment at every AGM, if so required under the Act)

R.S. Bhatia

Place: New Delhi

Practicing Company Secretary

Dated: 1st August, 2018

CP No: 2514

Note: This report is to be read with letter of even date by the Secretarial Auditor, which is annexed to this report and forms an integral part of this report.



ANNEXURE TO THE SECRETARIAL AUDIT REPORT

The Members,

Bharat Seats Limited,
Regd. Office: 1, Nelson Mandela Road,
Vasant Kunj, New Delhi-110070.
CIN : L34300DL1986PLC023540

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
4. Where ever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Place: New Delhi
Dated: 1st August, 2018

R.S. Bhatia
Practicing Company Secretary
CP No: 2514

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Indian automotive industry is one of the largest in the world. The industry accounts for about 7.1 per cent of the country's Gross Domestic Product (GDP). It is a prominent exporter and has strong export growth expectations in the near future. Overall automobile exports grew 16.12 per cent year-on-year between April-March 2017-18. The auto industry is also a major contributor to employment.

INDUSTRY STRUCTURE AND DEVELOPMENT

Several initiatives have been taken by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the Two Wheeler(2W) and Four Wheeler (4W) market in the world by 2020.

Due to change in focus of government towards environmental protection and changing scenarios the Indian automobile Industry needs to shift to environment friendly vehicles. We therefore find a shift to the introduction of electric vehicles.

The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of electric vehicles (EVs) in their public transport systems under the FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. The government is planning to set up a committee to develop an institutional framework on large-scale adoption of electric vehicles in India as a viable clean energy mode, especially for shared mass transport, to help bring down pollution level in major cities.

OPPORTUNITIES AND THREATS

At present, the automotive components industry has adapted well to the changes in the policy, regulatory environment and the needs of the customers. But due to increase in electronic content, OEMs need to collaborate with suppliers and experts outside the traditional auto industry. Accomplishing this will require changes in the way OEMs function. OEMs will be looking to their top suppliers to co-invest in new global platforms and this will be the driving force in the future.

Maruti Suzuki India Limited (MSIL) ended 2017-18 with its highest ever sales, registering a growth of 13.4%, with highest ever domestic sales. MSIL attained leadership position in utility vehicles sales with over 27.5% market share.

BSL is dedicated to one customer, i.e. Maruti Suzuki India Limited and 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 also develops and manufactures complete seat assembly and welded frames 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 and 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 and cost as well as target Quality Excellence. Experts from our collaborators like Toyo Seats, Japan and M/s INOAC, Japan, frequently visit our production facilities 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 Total Productive Maintenance (TPM) certified Company. To continue to improve and sustain the work done, your Company has restarted the initiative of the next level of this certification which is the Consistency award. TPM for all plants shall reach another level within two years.

Safety, Health and Environment are high priority to the Company and regular audits are carried out making Your Company is safety compliant. Your Company is IATF (International Automotive Task Force) certified, which is specific to automobile industry.

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 and 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 differentiate through Innovation. The Company is actively exploring all new business opportunities interms of product diversification.

With the introduction of new GST regime during the year, your Company is complying with the same as per norms.

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 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.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has complied with all the provisions of the accounting standards in accordance with Section 133 of the Companies Act, 2013

FINANCIAL PERFORMANCE

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

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

HUMAN RESOURCES AND DEVELOPMENT

The work culture at Bharat Seats is oriented at achieving optimum performance. We lay emphasis on upgrading the skills and competencies of the existing talent pool and to ensure quality, horizontal deployment of training is also done for our Tier 1 and Tier 2 suppliers. 'Safety' remains top priority in the organisation, with periodic safety audits. Total number of permanent employees on the rolls of company as on March 31st 2018 is 424.

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 affect 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, 2018)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Bharat Seats Limited is committed to conduct its business in compliance with the applicable laws, rules and regulations and highest standards of business ethics. Bharat Seats Ltd. recognizes that good Corporate Governance is a continuing exercise and remains committed to high standards of Corporate Governance. We, at Bharat Seats, believe that good Corporate Governance generates sustainable corporate growth and is primarily concerned with the principles of integrity, fairness, transparency, accountability and commitment to values. Presently, The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter referred to as LODR Regulations 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, 2018, the Board of Directors consists of eleven Directors, with an Executive

Chairman. There is one executive Director of the Company, the Chairman and Managing Director. 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 more than fifty percent of the total number of Directors.

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

The Company is in compliance with the Regulation 17 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, (hereinafter referred to as: LODR Regulations), pertaining to composition of Directors.

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

Details of Directors, category of Directors, No. of other Directorship/ Committee membership held by them as on 31st March, 2018 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 AND MANAGING DIRECTOR	PROMOTER/ EXECUTIVE/ NON- INDEPENDENT	2	5	-	-
2	MR TOSHIYA MIKI DIN: 07505339	DIRECTOR	NOMINEE – SUZUKI MOTOR CORPORATION/ NON-EXECUTIVE/ NON- INDEPENDENT	2	-	-	-
3	MRS SHARDA RELAN DIN: 00252181	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

SR. NO.	NAME OF THE DIRECTORS (DIN)	DESIGNATION	CATEGORY	NO. OF OUTSIDE DIRECTORSHIP		NUMBER OF OUTSIDE COMMITTEES	
				PUBLIC	PRIVATE	MEMBER	CHAIRMAN
10	MRS SHYAMLA KHERA DIN: 06929439	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-	-	-	-
11	MR ARVIND VARMA DIN: 02225281	DIRECTOR	NON-EXECUTIVE/ 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 2017-18, the Board of Directors met four times on 20th April, 2017, 18th July, 2017, 6th November, 2017 and 13th February, 2018. 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. ROHIT RELAN	4	YES
MR TOSHIYA MIKI	4	YES
MRS SHARDA RELAN	3	YES
MR. AJAY RELAN	3	YES
MR. C.V. RAMAN	4	YES
MR. G.N. MEHRA	4	YES
MR. P.K. LAHIRI	4	YES
MR. KISHAN N. PARIKH	1	NO
MR. RAVINDRA GUPTA	4	YES
MRS. SHYAMLA KHERA	4	YES
MR. ARVIND VARMA	4	YES
MR. T.J. CHACKO*	3	YES

* Mr. T.J. Chacko ceased to be a Whole-time Director after the close of business hours on 30.11.2017, due to expiry of tenure and resigned from directorship after the close of business hours on 30.11.2017.

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

A brief detail about the Directors of the Company is herein below:

Sr. No.	Name of Director	Category	Special Knowledge/ Expertise
1	Mr. Rohit Relan	Promoter, Chairman and Managing Director	<ul style="list-style-type: none"> Business management Finance
2	Mr. Toshiya Miki	Non-Executive Non Independent Director	<ul style="list-style-type: none"> Purchase Cost control Business promotion
3	Mrs. Sharda Relan	Non-Executive Non Independent Director	<ul style="list-style-type: none"> Automobile components Financial Services
4	Mr. Ajay Relan	Non-Executive Non Independent Director	<ul style="list-style-type: none"> Business Management
5	Mr. C.V. Raman	Non-Executive Non Independent Director	<ul style="list-style-type: none"> Product development Vehicle testing Homologation Cost Management
6	Mr. G.N. Mehra	Independent Director	<ul style="list-style-type: none"> Finance
7	Mr. P.K. Lahiri	Independent Director	<ul style="list-style-type: none"> Finance
8	Mr. Kishan N. Parikh	Independent Director	<ul style="list-style-type: none"> Business Management
9	Mr. Ravindra Gupta	Independent Director	<ul style="list-style-type: none"> Management & Administration
10	Mrs. Shyamla Khera	Independent Director	<ul style="list-style-type: none"> Banking Finance
11	Mr. Arvind Varma	Independent Director	<ul style="list-style-type: none"> Finance Management & Administration

(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 26.02.2018 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 web link: [http://www.bharatseats.com/ Investors/ Policies/ Codes/ Programmes/ Familiarisation Programmes for Independent Directors.pdf](http://www.bharatseats.com/Investors/Policies/Codes/Programmes/Familiarisation%20Programmes%20for%20Independent%20Directors.pdf).

(e) Pecuniary Relationship

There is no relationship except:

- (a) Mr. Rohit Relan, Ms. Sharda Relan and Mr. Ajay Relan are relatives;
- (b) Mr. C V Raman and Mr Toshiya Miki are nominees of Maruti Suzuki India Limited and Suzuki Motor Corporation respectively.

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 and 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 fulfilment of stakeholders' aspirations, is accomplished. It also sets standards of corporate behaviour and ensures ethical behaviour 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

- 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;
 - Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - 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;.
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
 - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - 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;
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the company with related parties;
 - Valuation of undertakings or assets of the company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

- xii) 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;
- xiii) Discussion with internal auditors of any significant findings and follow up there on;
- xiv) 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;
- xv) 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;
- xvi) 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;
- xvii) To review the functioning of the Whistle Blower mechanism;
- xviii) 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;
- xix) 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 20th April, 2017, 18th July, 2017, 21st August, 2017, 6th November, 2017 and 9th February, 2018. The maximum gap between two meetings was less than one hundred twenty days.

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

Sr. No.	Name	Category	Designation	No. of meeting 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

Ms. Ritu Bakshi, Company Secretary acts as the Secretary of the Committee. The Chairman and Managing Director, CFO, Internal Auditor, Sr. VP Finance 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 meeting of Nomination and Remuneration Committee was held on 18th July, 2017. The composition of Nomination and Remuneration Committee is as follows:

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

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 section 178 of the Companies Act and Regulation 19 of the SEBI (LODR), 2015 read with Part D of Schedule II of Listing 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 terms of reference include:

- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and 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. Rohit Relan	Chairman and Managing Director	Salary	10,800,000	
		Allowances and Perquisites	1,500,000	
		Contribution to P.F.	1,442,880	
		Total	13,742,880	-
Mr. C.V. Raman	Director		-	160,000
Mr. Toshiya Miki	Director		-	80,000
Mrs Sharda Relan	Director		-	120,000
Mr. Ajay Relan	Director		-	120,000
Mr. G.N.Mehra	Director		-	640,000
Mr. P. K. Lahiri	Director		-	600,000
Mrs. Shyamla Khera	Director		-	400,000
Mr. Ravindra Gupta	Director		-	480,000
Mr. Kishan N. Parikh	Director		-	40,000
Mr. Arvind Varma	Director		-	240,000
Mr. T.J.Chacko	Director (Operations)	Salary	1,248,000	
		Allowances/ Perquisites/ Reimbursements	1,621,480	
		Contribution to P.F.	166,733	
		Total	3,036,213	

5. Stakeholders' Relationship Committee

In compliance with Section 178 of the Companies Act, 2013 and the rules made thereunder and Regulation 20 of SEBI (LODR), 2015, the Company has duly constituted a Stakeholders' Relationship Committee (SRC). The SRC Constitution Charter elaborates in detail the constitution, manner of meetings and roles and responsibilities of SRC.

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 20th April, 2017, 18th July, 2017, 6th November, 2017 and 19th January, 2018

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. G. N. Mehra	Non-Executive/Independent Director	Member	4	4
3.	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 nonreceipt of share certificates	-	-	-
7	Non-receipt of Annual Report	-	-	-
8	Others	-	-	-

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 2018.

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 meeting held and attended are given as under:
Meeting held on 9th February, 2018

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
2017	21.09.2017	11 a.m.	Air Force Auditorium, New Delhi	No
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

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: Financial Express, and Hindi newspaper 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 31st Annual General Meeting and forms part of the Corporate Governance Report.

(b) Annual General Meeting

Number of Annual General Meeting	31st Annual General Meeting
Date and Time	25 th September, 2018 at 11:00 a.m.
Venue	Air Force Auditorium, Subroto Park, New Delhi -110010

(c) Financial Calendar : 2018-19, 1st April, 2018 to 31st March, 2019

First Quarter Ended June, 2018	Before 2nd week of August, 2018
Second Quarter Ended September, 2018	Before 2nd week of November, 2018
Third Quarter Ended December, 2018	Before 2nd week of February, 2019
Year ended March, 2019	April, 2019

(d) Book Closure Dates

From 19th September, 2018 to 25th September, 2018 (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 2018, 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: 2017-2018 has been paid to the stock exchange.

(g) Stock Code

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

(h) Market Price data:

Monthly High and Low quotations as well as the volume of the equity shares of the company traded for the year 2017-2018 based upon BSE Price data is given below:

MONTH	BSE – HIGH	BSE - LOW	VOLUMES	BSE SENSEX
APRIL, 2017	91.75	69	1526052	29918.4
MAY, 2017	93.7	77	801310	31145.8
JUNE, 2017	96.5	81	688133	30921.61
JULY, 2017	131.95	84	2536126	32514.94
AUGUST, 2017	130.9	103.4	995143	31730.49
SEPTEMBER, 2017	201.3	129	3293342	31283.72
OCTOBER, 2017	210.9	155.5	1253384	33213.13
NOVEMBER, 2017	264	186	1994668	33149.35
DECEMBER, 2017	249.5	217.4	433465	34056.83
JANUARY, 2018	273.9	200.55	894000	35965.02
FEBRUARY, 2018	241	176	619868	34184.04
MARCH, 2018	203	162.05	505690	32968.68

(i) Registrar and Transfer Agents:

(For Demat Shares and for Physical Shares)
M/s Alankit Assignments Ltd.
3E/7, Alankit Heights, Jhandewalan Extension
New Delhi - 110055, Ph: 42541234
Fax: 4254 1201
E-Mail: alankit@alankit.com

(j) Share Transfer System

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

(k) Distribution of Shareholding as on 31.03.2018:

S. NO.	NO. OF SHARES HELD	NO. OF HOLDERS	PERCENTAGE OF HOLDERS(%)	HOLDING	PERCENTAGE OF HOLDING (%)
1	UPTO 500	13619	86.867	1049147	3.341
2	501 TO 1000	1092	6.965	977225	3.113
3	1001 TO 5000	756	4.822	1784719	5.684
4	5001 TO 10000	96	0.612	740463	2.358
5	10001 TO 20000	47	0.3	683700	2.177
6	20001 TO 30000	22	0.14	568771	1.812
7	30001 TO 40000	6	0.038	206036	0.656
8	40001 TO 50000	6	0.038	270693	0.862
9	50001 TO 100000	12	0.077	827545	2.635
10	100001 TO 500000	18	0.115	4740351	15.097
11	500001 and ABOVE	4	0.026	19551350	62.265
	TOTAL	15678	100	31400000	100

(l) Shareholding pattern as on 31.03.2018:

S. No.	Category	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
1.	Promoters and Associate Companies :				
a.	Indian	16	0.102	18705458	59.571
b.	Foreign	1	0.006	4650000	14.809
2.	Non-Promoter Shareholding:				
a.	Indian Companies	178	1.136	902123	2.873
b.	Mutual Funds	1	0.006	1000	0.003
c.	Financial Institutions	1	0.006	34000	0.108
d.	NRIs	169	1.079	202661	0.646
e.	Trust	1	0.006	56097	0.179
f.	Public	15311	97.659	6848661	21.811
	TOTAL	15678	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 31.03.18
1	Mr. Ajay Relan	317108
2	Mrs Sharda Relan	1251350
3	Mr. Kishan N.Parikh	8000

(n) Dematerialisation of Shares and liquidity

98.69% of the Equity Shares of the Company have been dematerialized as at 31st March, 2018. 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, 2017		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, 2018	
	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, Gurugram - 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, Gurugram (Haryana)
- 3) Plant-III
Plot No. 26, Sector-3A, Maruti Supplier Park,
IMT, Manesar, Gurugram (Haryana)
- 4) Plant-IV
Plot No. 677 Sector 37 Pace City II, Gurugram (Haryana)
- 5) Plant-V
Plot No.665, Sector 37, Pace City II, Gurugram (Haryana)
- 6) Plant -VI
Plot No. 702, Sector 37, Pace City II, Gurugram (Haryana)

(p) Registered Office:

Bharat Seats Limited
1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070
Ph : 09810808631

(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 Gurugram 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 terms of Ind AS-24, "Related Party Disclosures", specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 are disclosed in Note No.38(c) of Notes to Financial Statements. However, these transactions are not likely to have any conflict with the Company's interest. All related party transactions are generally with its associates and are entered into based on considerations of various business exigencies. All related party transactions are negotiated on arms length basis and are intended to further the Company's interests.

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

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

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

The Company has framed Whistle Blower Policy. No personnel had 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.

Details of compliance with mandatory requirements and adoption of non-mandatory requirements as specified in Part E of Schedule II of LODR Regulations 2015:

The Company has duly complied with all the mandatory requirements under Chapter IV of the SEBI (LODR), 2015. The Company has not adopted the non-mandatory (discretionary) requirements as mentioned in Part E of Schedule II of the SEBI (LODR), 2015 except that the Company has financial statement with unmodified audit opinion and the Internal Auditor reports directly to the Audit Committee.



Disclosure of compliance with Corporate Governance Requirements

The Company has duly complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations 2015.

Disclosure of Accounting Treatment

The financial statements of year under review have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

11. CODE OF CONDUCT

In terms of the requirement of Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015 ["SEBI (LODR), 2015"] & Section 149(8) read with Schedule IV of the Companies Act, 2013 ("the Act"), 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 and 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 17(8) and 33 of the SEBI (LODR), 2015**, the Company duly places a Certificate signed by Chairman and Managing Director and Chief Financial Officer of the Company before the Board of Directors.

15. COMPLIANCE

The Company obtains a certificate from its Secretarial Auditor 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: 2017-18

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, 2018.

For Bharat Seats Limited

(Rohit Relan)
Chairman and 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, 2018 :

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 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 no 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 and Managing Director

For Bharat Seats Limited

Rajat Bhandari
Sr. V.P. (Finance)

For Bharat Seats Limited

Sanjeev Kumar
Chief Financial Officer

Dated : 19.4.2018

Place : Gurugram

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Bharat Seats Limited

I have examined the compliance of conditions of Corporate Governance by the Company for the year ended 31st March, 2018 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 me for my 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 my opinion and to the best of my information and according to the explanations given to me and representation made by the Directors and the management, I confirm that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, 2015.

I 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.

Place: New Delhi
Dated: 1st August, 2018

R.S. Bhatia
Practicing Company Secretary
CP No: 2514

Independent Auditors' Report

To The Members of Bharat Seats Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Bharat Seats Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control 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 misstatement, 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, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial

statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 the 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 the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on April 20, 2017.

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 sub-section (11) of section 143 of the Act, we give in the Annexure 1 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 it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 2" to this report;
- (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 litigations on its financial position in its Ind AS financial statements – Refer note.27 to the Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner

Membership Number: 086370

Place of Signature : Gurugram

Date : 19th April, 2018

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

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

We have audited the internal financial controls over financial reporting of Bharat Seats Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 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, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 operating effectively as at March 31, 2018, 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.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Atul Seksaria**

Partner

Membership Number: 086370

Place of Signature : Gurugram

Date : 19th April, 2018

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE.

- Re: **Bharat Seats Limited** ('the Company')
- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regards to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
 - ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
 - iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
 - iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
 - v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
 - vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of seating system and interior component for the automotive and surface transport, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
 - vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
 - (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1994	Show cause notice - Transaction value	27.69	2004-2006	Assistant Commissioner, Delhi
Central Excise Act, 1994	Disallowance of input tax credit on account of difference between physical stock of inputs and stock as reflected in statutory records	228.20	1997-1999	CESTAT, Delhi

- viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution and bank. The Company did not have any outstanding dues from debenture holders or Government.
- ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no frauds/ material fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and

- hence not commented upon.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner
Membership Number: 086370

Place of Signature : Gurugram
Date : 19th April, 2018

BALANCE SHEET AS AT 31ST MARCH 2018

(Rs. in lakhs except as otherwise stated)

Particulars	Notes	As At 31st March 2018	As At 31st March 2017 (Restated)
ASSETS			
1 Non-current assets			
Property, plant and equipment	5	13,488.23	14,431.74
Capital work in progress	6	1,316.17	46.60
Intangible assets	5	143.08	143.89
Financial assets			
i) Loans	7	72.07	53.84
Other non-current assets	8	101.93	108.80
Non-current tax assets (Net)	9	370.80	10.25
		<u>15,492.28</u>	<u>14,795.12</u>
2 Current assets			
Inventories	10	2,738.46	1,537.84
Financial assets			
i) Trade receivables	11	10,419.43	9,416.14
ii) Cash and cash equivalents	12	244.57	26.89
iii) Other bank balances	13	66.20	88.69
iv) Other financial assets	14	115.34	115.34
Other current assets	15	417.31	498.16
		<u>14,001.31</u>	<u>11,683.06</u>
Total Assets		<u>29,493.59</u>	<u>26,478.18</u>
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	16	628.00	628.00
Other equity	17	8,048.05	5,585.88
		<u>8,676.05</u>	<u>6,213.88</u>
2 Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	18	2,227.43	1,960.67
Provisions	19	219.53	131.58
Deferred tax liabilities (Net)	20	1,161.45	699.99
Other non current liabilities	21	1,041.61	9.08
		<u>4,650.02</u>	<u>2,801.32</u>
Current liabilities			
Financial liabilities			
i) Borrowings	22	74.40	3,061.52
ii) Trade payables	23	14,936.22	12,294.61
iii) Other financial liabilities	24	634.30	1,931.99
Other current liabilities	25	473.81	126.74
Provisions	26	48.79	48.12
		<u>16,167.52</u>	<u>17,462.98</u>
Total Equity and Liabilities		<u>29,493.59</u>	<u>26,478.18</u>
Summary of significant accounting policies	2		
Contingent liabilities and commitments	27		
Other notes on accounts	38		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Registration No. 301003E/E300005

PER ATUL SEKSARIA

Partner

Membership no. 086370

For and on behalf of the Board of Directors
ROHIT RELAN

Chairman and Managing Director

DIN 00257572

RAJAT BHANDARI

Sr. Vice President (Finance)

Place : Gurugram

Dated : 19th April, 2018

RITU BAKSHI

Company Secretary

SANJEEV KUMAR

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in lakhs except as otherwise stated)

Particulars	Notes	Year Ended 31st March 2018	Year Ended 31st March 2017
I INCOME			
Revenue from operations	28	100,137.75	94,777.38
Other income	29	120.90	148.21
Total income		100,258.65	94,925.59
II EXPENSES			
Cost of materials consumed	30	82,215.79	73,390.83
Purchase of traded goods	31	35.44	60.61
Changes in inventories of finished goods, work in progress and traded goods	32	(17.08)	37.62
Excise duty on sale of goods		3,109.72	10,736.69
Employee benefits expense	33	2,508.00	2,079.83
Finance costs	34	320.38	447.12
Depreciation and amortization expenses	35	1,911.08	1,710.34
Other expenses	36	5,825.30	4,780.56
Total expenses		95,908.63	93,243.60
III Profit before tax		4,350.02	1,681.99
IV Tax expenses			
Current tax	20	1,542.02	425.20
Deferred tax expenses/(credit)	20	(61.34)	112.53
Adjustment of tax relating to earlier years		47.83	(73.05)
Income tax expense		1,528.51	464.68
V Profit for the year		2,821.51	1,217.31
VI Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods:			
i) Re-measurement gains/(losses) on defined benefit plans (refer note 38(a))		(29.37)	(8.41)
ii) Income tax effect (refer note 20)		10.16	0.82
Total other comprehensive income for the year, net of taxes		(19.21)	(7.59)
VII Total comprehensive income for the year, net of taxes		2,802.30	1,209.72
VIII Earnings per equity share of Rs. 2 each:			
(1) Basic (Rs.)	37	8.99	3.88
(2) Diluted (Rs.)	37	8.99	3.88
Summary of significant accounting policies	2		
Contingent liabilities and commitments	27		
Other notes on accounts	38		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Registration No. 301003E/E300005

PER ATUL SEKSARIA

Partner

Membership no. 086370

For and on behalf of the Board of Directors
ROHIT RELAN

Chairman and Managing Director

DIN 00257572

RAJAT BHANDARI

Sr. Vice President (Finance)

Place : Gurugram

Dated : 19th April, 2018

RITU BAKSHI

Company Secretary

SANJEEV KUMAR

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Rs. in lakhs except as otherwise stated)

	For the year ended 31st March 2018	For the year ended 31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	4,350.02	1,681.99
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,911.08	1,710.34
Loss on sale of property, plant and equipment	41.54	29.33
Finance cost (including fair value change in financial instrument)	315.98	433.98
Interest income (including fair value change in financial instrument)	(0.68)	-
Excess provision no longer required written back	12.43	2.01
Operating profit before working capital changes	6,630.37	3,857.65
Adjustments for changes in working capital :		
(Increase)/decrease in inventories	(1,200.62)	(96.57)
(Increase)/decrease in trade receivables	(1,003.29)	(1,134.75)
(Increase)/decrease in other financial and non- financial assets	69.86	(228.47)
Increase/(decrease) in trade payables	2,629.18	1,720.54
Increase/(decrease) in other financial, non financial liabilities and provisions	1,143.17	28.08
Cash generated from operating activities	8,268.67	4,146.48
Income tax paid (net of refunds)	(1,416.53)	(300.67)
Net cash flow from operating activities	6,852.14	3,845.81
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work in progress	(2,303.34)	(1,725.75)
Proceeds from sale of property, plant and equipment	27.71	65.78
Fixed Deposits matured/(made) during the year	23.38	(3.90)
Interest income received	0.31	-
Net cash from/(used in) investing activities	(2,251.94)	(1,663.87)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	1,390.00	1,000.00
Repayment of long term borrowings	(2,135.67)	(2,309.49)
Repayment of short term borrowings	(2,987.12)	(90.82)
Dividend paid on equity shares (including corporate dividend tax)	(340.13)	(340.13)
Interest Paid	(309.60)	(425.00)
Net cash used in financing activities	(4,382.52)	(2,165.44)
Net increase in cash and cash equivalents (A+B+C)	217.68	16.50
Cash and cash equivalents at the beginning of the year	26.89	10.39
Cash and cash equivalents at the end of the year	244.57	26.89
Components of cash and cash equivalents		
Cash and cash equivalents		
Balances with banks:		
Current accounts	16.83	24.85
Cash credit accounts	171.95	-
Fixed deposits account with a original maturity of less than three months	54.94	-
Cash on hand	0.85	2.04
Net Cash and Bank balances as at 31st March (Closing)	244.57	26.89

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.

Summary of significant accounting policies	2
Contingent liabilities and commitments	27
Other notes on accounts	38

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Registration No. 301003E/E300005

PER ATUL SEKSARIA

Partner

Membership no. 086370

For and on behalf of the Board of Directors
ROHIT RELAN

Chairman and Managing Director

DIN 00257572

RAJAT BHANDARI

Sr. Vice President (Finance)

Place : Gurugram

Dated : 19th April, 2018

RITU BAKSHI

Company Secretary

SANJEEV KUMAR

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018
A Equity Share Capital (Refer note 16)

(Rs. in lakhs except as otherwise stated)

	Nos.	Amount
As at 1st April, 2016	31,400,000	628.00
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2017	31,400,000	628.00
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2018	31,400,000	628.00

B Other Equity (Refer note 17)

	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
As at 1st April, 2016	3,950.73	765.56	4,716.29
Net profit for the year	-	1,217.31	1,217.31
Other Comprehensive Income for the year			
Remeasurements gain/(loss) on defined benefit plans.	-	(7.59)	(7.59)
Dividends			
Final dividend paid during the year	-	(282.60)	(282.60)
Corporate dividend tax	-	(57.53)	(57.53)
As at 31st March 2017	3,950.73	1,635.15	5,585.88
Net profit for the year	-	2,821.51	2,821.51
Other Comprehensive Income for the year			
Remeasurements gain/(loss) on defined benefit plans.	-	(19.21)	(19.21)
Dividend			
Final dividend paid during the year	-	(282.60)	(282.60)
Corporate dividend tax	-	(57.53)	(57.53)
As at 31st March 2018	3,950.73	4,097.32	8,048.05

Summary of significant accounting policies	2
Contingent liabilities and commitments	27
Other notes to accounts	38

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Registration No. 301003E/E300005

PER ATUL SEKSARIA

Partner

Membership no. 086370

Place : Gurugram

Dated : 19th April, 2018

For and on behalf of the Board of Directors
ROHIT RELAN

Chairman and Managing Director

DIN 00257572

RITU BAKSHI

Company Secretary

RAJAT BHANDARI

Sr. Vice President (Finance)

SANJEEV KUMAR

Chief Financial Officer

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. Corporate information

Bharat Seats Limited ('the company') is a public limited company domiciled in India and incorporated on March 06, 1986 under the provisions of Companies Act, 1956 having its registered office at Plot No. 1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070. . The Company is listed on Bombay Stock Exchange of India Limited. 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 Company's manufacturing facilities are located at Gurugram and Manesar in Haryana. The financial statements were authorized by the Board of Directors for issue in accordance with resolution April 19, 2018.

2. Significant accounting policies

2.1 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) Rules, 2016 and relevant amendments rules thereafter, and other relevant provisions of the Companies Act, 2013.

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 recognized prospectively in current and future periods.

The useful lives are as follows:

i. 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	21	10
01.04.2005 onwards	Straight line method	21	10

2.2 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit, VAT credit and GST credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. 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 income statement when the asset is derecognized.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

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.

Depreciation on property, plant and equipment 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.

**ii. 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	21	15
01.04.2010 onwards - Tools & Dies	Straight line method	5	15
01.04.2010 onwards - Other plant & Machinery	Straight line method	8	15

iii. Other assets:

Nature	Method	Estimated useful life (years)	Useful life as per Companies Act, 2013 (years)
Furniture and Fixtures	Straight line method	10	10
Vehicles	Straight line method	8	8
Office Equipment	Straight line method	5	5
Computers	Straight line method	3 and 6	3 and 6
Building	Straight line method	30	30

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 made by the management, it believes that the useful lives as given above represent the period over which the assets are expected to be used.

2.3 Intangible assets**Separately acquired intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development cost, are not capitalised and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Research and Development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii) Its intention to complete the asset;
- iii) Its ability to use or sale the asset;
- iv) How the asset will generate future economic benefits;

- v) The availability of adequate resources to complete the development and to use or sale the asset; and
- vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in

accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful life are not amortized 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.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 6 years with effect from April 01, 2017.

2.4 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses including impairment on inventories are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of

a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

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 and others are classified as operating lease.

Operating lease payments are recognised as an expense in the statement of profit or loss account on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

Company 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. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.6 Foreign Currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (Rs.) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of 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.

2.7 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are recognized as expense in the period in which they occur.

2.8 Inventories

a. Basis of valuation:

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

b. Method of valuation:

- i.) **Cost of raw materials** has been determined by using first-in-first-out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
- ii.) **Cost of finished goods and work in progress** includes an appropriate share of production overheads based on normal operating capacity. Cost is determined on first-in-first-out method basis.
- iii.) **Cost of traded goods** has been determined by using first-in-first-out method and comprises all costs of

purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

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

2.9 Cash and cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.10 Employees Benefits

i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit obligations

a) Gratuity

The Employee's Gratuity Fund Scheme, which is defined benefit plan, is maintained with Life insurance Corporation. The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Company Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

1. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
2. Net interest expense or income.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset



ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

b) Provident fund

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.

c) Compensated Absences

Accumulated leaves which is expected to be utilized within next 12 months is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement and is discharge by the year end.

d) Voluntary retirement

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

2.11 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.

2.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

The Company classified its financial assets in the following measurement categories:-

- Those to be measured subsequently at fair value (either through OCI or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets (other than equity in subsidiaries) are recognized initially at fair value plus, in the case of financial assets not recorded

at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Equity investment in subsidiaries are recognised at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The difference between the transaction amount and amortised cost in case of interest free loan to subsidiaries based on expected repayment period is considered as deemed investment.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- 1) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- 2) Cash flow characteristics test: Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
 - (a) the Company has transferred the rights to receive cash flows from the financial assets or
 - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure.

- Financial assets measured at amortised cost; eg Loans, Security deposits, trade receivable, bank balance, other financial assets etc.

The Company follows “simplified approach” for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for estimates. At every reporting date, the historical observed default rates are updated and changes in the estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

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. The Company’s senior management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. Such changes are evident to external parties. 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 recognized gains, losses (including impairment gains or losses) or interest.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

The measurement of financial liabilities depends on their classification, as described below:

Trade Payables

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. After

initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

2.13 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are inclusive of Excise Duty for the year ended March 31, 2017 and for the period April'2017 to June'2017, and net of returns, trade discounts, rebates, value added taxes and amount collected on behalf of third parties.

a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, discounts, volume rebates and cash discounts. Revenue is usually

recognised when it is probable that economic benefits associated with the transaction will flow to the entity, amount of revenue can be measured reliably and entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Further, sales include price revision 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.

b) Interest income

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".

c) Lease income

Rental income arising from operating leases on property let out by the Company is accounted for on a straight line basis over the lease terms and is included in other income in statement of profit and loss.

d) Rendering of services

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties and is included in revenue in the statement of profit and loss under the head other income.

2.14 Taxes

Tax expense for the year comprises of current tax and deferred tax (including MAT).

a) Current Tax

- i.) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date. The Company is eligible for deduction under section 35(2AB) of Income Tax Act, 1961 in respect of in-house research and development facilities at Gurugram in Haryana Plant.
- ii.) Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items

are recognised in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

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

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that 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. 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 specified period.

Deferred tax assets and deferred tax liabilities

are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes/goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.15 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

2.16 Provisions and Contingent Liabilities

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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.

Contingent liabilities

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. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.17 Dividend distributions

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

2.18 Current versus non – current classification

The Company presents assets and liabilities in the balance sheet based on current/non- current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3 Significant accounting judgements, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

a) Operating lease commitments – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b) Operating lease commitments -Company as lessee:

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty

at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Property, plant and equipment

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

b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

c) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions 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. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis, are given in Note 38(a).

4 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 the standard when it becomes effective.

a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April 2018. However, since the Company's current practice is in line with the interpretation, the Company does not expect any effect on its financial statements.

**b) Ind AS 115 Revenue from Contracts with Customers:**

Ind AS 115 was issued on 28 March 2018 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. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. 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 using the full retrospective method.

The Company is in the business of manufacture of complete seating system and interior component for the automotive and surface transport.

a) Sale of goods

For contracts with customers in which the sale of goods is generally expected to be the only performance obligation, adoption of Ind AS 115 is not expected to have any impact on the Company's revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

In preparing to adopt Ind AS 115, the Company is considering the following:

(i) Variable Consideration

Some contracts with customers provide a right of return, trade discounts or volume rebates. Currently, the Company recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the Company defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under Ind AS 115, and will be required to be estimated at contract inception and updated thereafter.

Ind AS 115 requires the estimated variable consideration to be constrained to prevent over-recognition of revenue. The Company however does not expect that application of the constraint will result in any revenue being deferred than under current Ind AS.

b) Advances received from customers

Generally, the Company receives only short-term advances from its customers. They are presented as part of Trade and other payables. Under Ind AS 115, the Company must determine whether there is a significant financing component in its contracts. However, the Company decided to use the practical expedient provided in Ind AS 115, and will not adjust the promised amount of the consideration for the effects of a significant financing components in the contracts, where the Company expects, at contract inception, that the period between the Company transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less. Therefore, for short-term advances, the Company will not account for a financing component as there is not a significant financing component involved in these contracts.

c) Presentation and disclosure requirements

The presentation and disclosure requirements in Ind AS 115 are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Company's financial statements. Many of the disclosure requirements in Ind AS 115 are new and the Company is in the preliminary stage of assessment of impact of of these disclosures.

d) Other adjustments

In addition to the major adjustments described above, on adoption of Ind AS 115, other items of the primary financial statements such as deferred taxes, assets held for sale and liabilities associated with them will be affected and adjusted as necessary.

The recognition and measurement requirements in Ind AS 115 are also applicable for recognition and measurement of any gains or losses on disposal of non-financial assets (such as items of property, plant and equipment and intangible assets), when that disposal is not in the ordinary course of business. However, on transition, the effect of these changes is not expected to be material for the Company.



5. a) Property Plant & Equipment and Intangible Assets (2017-18) : (Rs. in lakhs except as otherwise stated)

Particulars	Gross carrying value			Depreciation / Impairment			Net carrying value	
	Balance as at 1st April 2017	Additions*	Disposals	Balance as at 31st March 2018	Charge for the year	Disposals	Balance as at 31st March 2018	Balance as at 31st March 2017
At Cost								
Land Freehold	211.09	-	-	211.09	-	-	-	211.09
Land Leasehold	39.41	-	-	39.41	18.99	3.40	22.39	17.02
Buildings	6,549.96	270.87	-	6,820.83	1,118.03	207.65	1,325.68	5,495.15
Plant and Equipment	15,911.11	571.25	593.46	15,888.90	8,929.43	1,410.62	9,784.42	6,104.48
Furniture and Fixtures	183.19	9.54	-	192.73	116.00	9.67	125.67	67.06
Vehicles	232.67	42.61	85.44	189.84	101.34	57.34	67.31	122.53
Office equipment	94.39	18.15	-	112.54	55.91	12.15	68.06	44.48
Computers	250.39	31.67	88.44	193.62	193.12	86.10	135.57	58.05
Electrical Installations	1,186.00	42.14	-	1,228.14	294.60	54.66	349.26	878.88
A	24,658.21	986.23	767.34	24,877.10	10,827.42	1,750.01	11,878.36	12,998.74
Research and Development								
Building	20.69	-	-	20.69	5.84	0.65	6.49	14.20
Plant and Equipment	962.98	24.12	8.39	978.71	491.16	106.34	589.67	389.04
Furniture and Fixtures	45.88	-	-	45.88	20.70	4.93	25.63	20.25
Office equipment	27.70	-	-	27.70	10.23	5.05	15.28	12.42
Computers	148.36	4.09	14.07	138.38	84.13	21.27	91.55	46.83
Electrical Installations	13.74	-	-	13.74	6.34	0.65	6.99	7.40
B	1,219.35	28.21	22.46	1,225.10	618.40	138.89	735.61	489.49
Total (A+B)	25,877.56	1,014.44	789.80	26,102.20	11,445.82	1,888.90	12,613.97	13,488.23
Intangible assets								
Software	97.52	8.86	-	106.38	37.26	7.15	44.41	61.97
Research and Development								
Software	83.63	12.51	-	96.14	-	15.03	15.03	81.11
Total	181.15	21.37	-	202.52	37.26	22.18	59.44	143.08
Grand Total	26,058.71	1,035.81	789.80	26,304.72	11,483.08	1,911.08	12,673.41	13,631.31
								14,575.63



(Rs. in lakhs except as otherwise stated)

5. b) Property Plant & Equipment and Intangible Assets (2016-17) :

Particulars	Gross carrying value			Depreciation / Impairment			Net carrying value	
	Balance as at 1st April 2016	Balance as at 31st March 2017	Balance as at 1st April 2016	Depreciation for the year	Disposals	Balance as at 31st March 2017	Balance as at 31st March 2017	Balance as at 31st March 2016
Land Freehold	211.09	211.09	-	-	-	-	211.09	211.09
Land Leasehold	39.41	39.41	15.59	3.40	-	18.99	20.42	23.82
Buildings	6,500.99	6,549.96	916.43	201.60	-	1,118.03	5,431.93	5,584.56
Plant and Equipment	14,640.40	15,911.11	7,697.32	1,324.04	91.93	8,929.43	6,981.68	6,943.08
Furniture and Fixtures	160.80	183.19	107.31	8.69	-	116.00	67.19	53.49
Vehicles	261.95	232.67	121.82	25.67	46.15	101.34	131.33	140.13
Office equipment	77.40	94.39	47.38	9.71	1.18	55.91	38.48	30.02
Computers	225.57	250.39	169.93	23.19	-	193.12	57.27	55.64
Electrical Installations	1,004.14	1,186.00	248.65	45.95	-	294.60	891.40	755.49
A	23,121.75	24,658.21	9,324.43	1,642.25	139.26	10,827.42	13,830.79	13,797.32
RESEARCH & DEVELOPMENT								
Property , plant and equipment's -R & D								
Building	20.69	20.69	5.19	0.65	-	5.84	14.85	15.50
Plant and Equipment	952.69	962.98	436.09	55.07	-	491.16	471.82	516.60
Furniture and Fixtures	35.04	45.88	20.49	3.47	3.26	20.70	25.18	14.55
Office equipment	29.43	27.70	5.80	5.35	0.92	10.23	17.47	23.63
Computers	84.44	148.36	83.39	2.89	2.15	84.13	64.23	1.05
Electrical Installations	13.74	13.74	5.68	0.66	-	6.34	7.40	8.06
B	1,136.03	1,219.35	556.64	68.09	6.33	618.40	600.95	579.39
Total (A+B)	24,257.78	25,877.56	9,881.07	1,710.34	145.59	11,445.82	14,431.74	14,376.71
Intangible assets								
Software	96.18	97.52	37.26	-	-	37.26	60.26	58.92
Intangible Assets - R & D								
Software	-	83.63	-	-	-	-	83.63	-
Total	96.18	181.15	37.26	-	-	37.26	143.89	58.92
Grand Total	24,353.96	26,058.71	9,918.33	1,710.34	145.59	11,483.08	14,575.63	14,435.63

*Foreign exchange capitalised during the year of Rs. 20.77 lakhs (31st March 2017: Rs. 147.24 lakhs) in the additions.

*Borrowing Cost capitalised during the year of Rs. Nil lakhs (31st March 2017: Rs.34.02 lakhs) as per IND AS 23.

NOTES TO FINANCIAL STATEMENTS
6 Capital work in progress

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Capital work in progress		
Opening cost	46.60	119.08
Additions during the year	1,316.17	46.60
Deduction and adjustment during the year	(46.60)	(119.08)
	1,316.17	46.60

7 Non-current financial assets (valued at amortised cost)

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(Unsecured, considered good)		
Loans:		
Security deposits	72.07	53.84
	72.07	53.84

8 Other non current assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(Unsecured, considered good)		
Capital advances	101.93	108.80
	101.93	108.80

9 Non-current tax assets (net)

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Advance Tax (net of provisions and tax deducted at source)	370.80	10.25
	370.80	10.25

10 Inventories

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components * (including lying with third party Rs. 425.12 lakhs (31st March 2017 Rs. 45.30 lakhs) and fixtures and moulds of Rs. 840.41 lakhs (31st March 2017- Rs.Nil))	2,227.13	1,065.40
Work-in-progress	100.14	124.58
Finished goods	215.48	174.85
Stores and spares	190.95	169.14
Traded Goods	4.26	3.37
Scrap materials	0.50	0.50
	2,738.46	1,537.84

Note:

Inventories are hypothecated with the bankers against working capital limits (Refer note 18, 22 and 27)

11 Trade receivables

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(Unsecured)		
Trade Receivable- considered good	10,419.43	9,416.14
	10,419.43	9,416.14

Note:

- a) Trade Receivables are interest bearing and are on trade terms of 30 to 60 days
b) Due from related parties Rs. 10,411.02 lakhs (31st March 2017: Rs 9,411.83 lakhs) refer note 38 (c)

12 Cash and cash equivalents

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Balance with banks:		
Current accounts	16.83	24.85
Cash credit accounts (refer note 27 (C))	171.95	-
Cash on hand	0.85	2.04
Fixed Deposits account with an original maturity of less than three months	54.94	-
	244.57	26.89

Note: There are no restrictions with regard to cash and cash equivalents at the end of the current and previous year.

13 Other bank balances

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Fixed Deposits account with an original maturity of more than three months but less than twelve months	28.00	-
Fixed Deposits account with an original maturity of more than twelve months but remaining maturity less than twelve months	18.66	70.04
Unclaimed dividend accounts*	19.54	18.65
	66.20	88.69

* The company can utilise the balance towards settlement of unclaimed dividend.

14 Other financial assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(Unsecured, considered good)		
Other receivables (refer note 38 (c))	115.34	115.34
	115.34	115.34

15 Other current assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(Unsecured, considered good)		
Advances other than capital advances		
Advances given to suppliers	345.22	116.03
Others		
Balance with statutory / government authorities	-	334.97
Prepaid expenses	71.72	47.16
Interest accrued and due	0.37	-
	417.31	498.16

16 Equity

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
	Amount	Amount
Equity Share Capital		
(a) Authorised		
3,50,00,000 Equity Shares of Rs. 2/- each (31st March 2017: 3,50,00,000 Equity Shares of Rs. 2/- each)	700.00	700.00
Issued, subscribed & fully paid-up		
3,14,00,000 Equity Shares of Rs. 2/- each (31st March 2017: 3,14,00,000 Equity Shares of Rs. 2/- each)	628.00	628.00

(b) Reconciliation of the shares outstanding at the beginning and at the end of the year

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018		As at 31st March 2017	
	No. of shares	Amount in lakhs	No. of shares	Amount in lakhs
At the beginning of the year	31,400,000	628.00	31,400,000	628.00
Add: Equity shares issued	-	-	-	-
	31,400,000	628.00	31,400,000	628.00

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share (31st March 2017 : Rs 2/- per share). Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in India Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of Shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

Name of Shareholders	As at 31st March 2018		As at 31st March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Maruti Suzuki India Limited	4,650,000	14.81	4,650,000	14.81
Suzuki Motor Corporation, Japan	4,650,000	14.81	4,650,000	14.81
Sharda Motor Industries Ltd.	9,000,000	28.66	9,000,000	28.66
	18,300,000	58.28	18,300,000	58.28

17 Other equity

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(a) General reserve		
Balance as at the beginning of the year	3,950.73	3,950.73
Transfer from statement of profit & loss	-	-
	3,950.73	3,950.73

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(b) Retained earnings		
Balance as at the beginning of the year	1,635.15	771.60
Net profit for the year	2,821.51	1,217.31
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post employment benefit obligation, net of tax	(19.21)	(13.63)
Dividends		
Final dividend of Re. 0.90/- per share of Rs. 2/- each (31st March, 2017 Re. 0.90/- per share)	(282.60)	(282.60)
Corporate dividend tax paid on final dividend	(57.53)	(57.53)
	4,097.32	1,635.15
	8,048.05	5,585.88

18 Borrowings

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Secured		
Term loans -from banks	567.43	786.92
Unsecured		
External Commercial Borrowings	-	13.75
Loans from related parties (refer note 38 (c))	1,660.00	1,160.00
	2,227.43	1,960.67

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

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017	Particulars of security / guarantees / terms of repayment / default
Loan 1- State Bank of Travancore (FCNR Loan)			
Balance outstanding	-	356.96	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 instalment falling due for payment in December,2012 as per detail given below: USD 214,014.49*3 quarters USD 403,415.33*4 quarters USD 473,492.15*12 quarters USD 111,755.68*1 quarters Rate of interest is 450 bps above 6month USD LIBOR Initial Rupee loan had been converted in FCNR(B) Term loan w.e.f. 11.10.2012 for USD 6,536,196.08 & 22.10.2012 for USD 1,513,170.19. (Satisfaction of charges of loan is in process)
Current maturity	-	356.96	
Non - current amount	-	-	

	As at 31st March 2018	As at 31st March 2017	Particulars of security / guarantees / terms of repayment / default
Loan 2- Yes Bank (FCNR Loan)			
Balance outstanding	-	536.65	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 instalments 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 8,06,061.58 is 505 bps ii) For USD 18,41,857.86 is 480 bps
Current maturity	-	536.65	
Non - current amount	-	-	
Loan 3- Yes Bank Limited (INR Loan)			
Balance outstanding	793.46	988.22	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 instalments commencing from 24.05.2017 as per detail given below: INR 18,30,034 * 53 INR 18,30,018* 1 Rate of interest is at one year MCLR, present rate 9.25% per annum.
Current maturity	226.03	201.30	
Non - current amount	567.43	786.92	
Total	567.43	786.92	

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

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017	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 (approx.), sanctioned on 19.08.2011, repayable in 24 equal quarterly instalments, 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	
Current maturity	-	82.93	
Non - current amount	-	-	

Loan -2			The period of loan is 6 years, sanctioned on 13.03.2012, Repayable in 24 equal quarterly instalments 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	14.60	68.75	
Current maturity	14.60	55.00	
Non - current amount	-	13.75	
Loans from related parties			
-Loan from directors			Repayable after two to five years. Rate of interest is @ 8.65% per annum.
Balance outstanding	1,660.00	1,160.00	
Current maturity	-	-	
Non - current amount	1,660.00	1,160.00	
Total	1,660.00	1,173.75	

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.

19 Non- Current provisions

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits (refer note 38(a))		
Gratuity	71.75	1.90
Leave encashment	147.78	129.68
	219.53	131.58

20 Income Taxes

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
a) Income Tax expense in the statement of profit and loss comprises:		
Current income tax charge	1,542.02	425.20
Adjustment of tax relating to earlier years	47.83	(73.05)
Deferred Tax		
Relating to origination and reversal of timing differences	(61.34)	112.53
Income tax expense reported in the statement of profit and loss	1,528.51	464.68
b) Other comprehensive income		
Re-measurement gain/(losses) on defined benefit plans (refer note 38(a))	10.16	0.82
Income tax related to items recognised in OCI during the year	10.16	0.82

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:			
	Accounting profit before tax	4,350.02	1,681.99
	Applicable tax rate	34.608%	34.608%
	Computed Tax Expense	1,505.45	582.10
	Additional allowances for tax purpose	(39.73)	(50.09)
	Expense allowed on payment basis	(10.59)	-
	Expense not allowed for tax purpose	14.38	5.72
	Difference in tax rate	11.17	-
	Tax Relating to earlier year	47.83	(73.05)
	Income tax charged to Statement of Profit and loss at effective rate	1,528.51	464.68

(d) **Deferred tax relates to the following:**

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017	for the year ended 31st March, 2018	for the year ended 31st March, 2017
Deferred tax assets on account of :				
Effect of expenditure debited to statement of profit and loss in the current year but allowed for tax purposes in following years	68.14	54.76	13.38	(6.83)
Total deferred tax assets	68.14	54.76	13.38	(6.83)
MAT credit entitlement	-	522.80	(522.80)	1.27
Deferred tax liabilities on account of :				
Differences in depreciation in block of fixed assets as per tax books and financial books	1,229.59	1,277.55	(47.96)	104.54
Total deferred tax liabilities	1,229.59	1,277.55	(47.96)	104.54
Total deferred tax liabilities (net)	1,161.45	699.99	461.46	110.10

(e) **Reconciliation of deferred tax liabilities (net)**

(Rs. in lakhs except as otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017
Opening balance	699.99	589.89
Tax expense (credits) during the year recognised in Statement to profit and loss	(61.34)	112.53
Tax expense (credits) during the year recognised in OCI	-	(1.16)
Closing balance as at 31st March (before adjustment of MAT credit)	638.65	701.26
Availment (credit taken) of Minimum Alternate Tax	522.80	(1.27)
Closing balance as at 31st March	1,161.45	699.99

Note : During the year the company has paid dividend to its shareholders for the year ended 31st March, 2017. This has resulted in payment of corporate dividend tax (CDT) to the taxation authorities. The Company believes that CDT represents additional payment to taxation authority on behalf of the shareholders. Hence CDT paid is charged to equity.

21 Other non-current liabilities

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Advance received from customers (refer note 38 (c))	1,041.61	9.08
	1,041.61	9.08

22 Short Term Borrowings

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Secured		
Working capital loan from banks	74.40	3,061.52
	74.40	3,061.52

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

(Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2018	As at 31st March 2017	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	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.	74.40	2,420.12	During the year company has switched from consortium banking arrangement with State bank of Travancore, Bank of Tokyo and Yes bank Ltd. to multiple banking arrangement with Yes Bank Ltd. and HDFC bank Ltd. as detail given below: 1) Yes Bank Ltd : - Rs. 17,60,00,000/-
	74.40	3,061.52	Particulars of Security: First pari-passu charge on all current assets both present and future Second pari-passu charge on all fixed assets.

Change in liabilities arising from financing activities

(Rs. in lakhs except as otherwise stated)

	1st April 2017	Cash flows	Foreign exchange management	Others	31st March 2018
Non-current borrowings including current maturities (refer note 18)	3,203.31	(1,055.27)	4.04	315.98	2,468.06
Current Borrowings (refer note 22)	3,061.52	(2,987.12)	-	-	74.40
Dividend payable	-	(340.13)	-	340.13	-
Total	6,264.83	(4,382.52)	4.04	656.11	2,542.46
	1st April 2016	Cash flows	Foreign exchange management	Others	31st March 2017
Non-current borrowings including current maturities (refer note 18)	4,356.58	(1,734.49)	147.24	433.98	3,203.31
Current Borrowings (refer note 22)	3,152.34	(90.82)	-	-	3,061.52
Dividend payable	-	(340.13)	-	340.13	-
Total	7,508.92	(2,165.44)	144.24	774.11	6,264.83

The 'Others' column includes the effect of interest accrued on borrowings and dividend declared during the year.

23 Trade payables

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Dues of Micro and small enterprises (refer below note)	628.44	777.41
Dues of other than Micro and small enterprises	14,307.78	11,517.20
	14,936.22	12,294.61

* Trade Payables include due to related parties Rs 3,188.99 lakhs (31st March 2017: Rs 3,696.96 lakhs) refer note 38 (c)

* Trade Payables are unsecured and usually paid within 60 days of recognition.

* Trade Payables are usually non-interest bearing.

Disclosure under MSMED Act

Information as required to be furnished as per section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for year ended 31st March, 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
i) Principal amount remaining unpaid to any supplier covered under MSMED Act	628.44	777.41
ii) Interest due remaining unpaid to any supplier covered under MSMED Act	Nil	Nil
iii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iv) The amount of 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 MSMED Act.	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
vi) The amount of 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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

Note: The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Nil (31st March 2017: Rs. Nil)

24 Other financial liabilities

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Current maturities of long-term borrowings (refer note 18)	240.63	1,242.64
Unpaid dividends (refer note (a))	19.54	18.65
Other Payables		
Creditors for capital goods	365.74	670.20
Security deposit	8.39	0.50
	634.30	1,931.99

(a) Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Company has transferred Rs. 1.66 lakhs (31st March, 2017 Rs. 1.67 lakhs) out of unclaimed dividend pertaining to the financial year 2008-2009 and 2009-2010 to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 125 of the Companies Act, 2013.

25 Other current liabilities

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Others		
Statutory dues payable	473.81	106.26
Excise duty payable (refer note (a))	-	20.48
	473.81	126.74

a) The Company has made a provision of excise duty payable amounting to Rs. Nil (31st March, 2017 Rs. 20.48 lakhs) on stocks of finished goods at the end of the year. Excise duty is considered as an element of cost at the time of manufacture of goods. The Government of India has implemented Goods and Service Tax ("GST") from 01st July, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per IND AS 18, no provision is required to be made for excise duty on closing inventory of finished goods.

26 Current provisions

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits (refer note no. 38 (a))		
Gratuity	10.70	28.70
Leave encashment	38.09	19.42
	48.79	48.12

27 Contingent liabilities & commitments

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2018	As at 31st March 2017
(A) Contingent liabilities (to the extent not provided for)		
(a) Claims against the company not acknowledged as debt		
-Excise duty (refer note (a) below)	255.89	255.89
-Labour cases (refer note (b) below)	109.12	-
	365.01	255.89
(B) Commitments		
Estimated amount of contracts remaining to be executed :		
a) Capital commitments (net of advance)	609.49	903.24
b) Other commitments (net of advance)	723.83	-
	1,333.32	903.24
	1,698.33	1,159.13

- a) Contingent liability with respect to item (i) above represents disputed excise demands pertaining to various years ranging from 1996-1997 to 2005-2006. All these matters are pending with appellate authorities and the company believes that it has merit in these cases and more likely than not the company will succeed in these cases. The company is contesting these demands and the management, including its tax advisors, believe that its position will likely to be upheld in the appellate process and accordingly no provision has been accrued in the financial statements for the demand raised.
- b) The Company has suspended few workmen in the year 2002 for misconduct and instigating other workmen to give less production including himself. The Company has adhered to all the stipulated process as is desired by statute, mainly the Industrial Dispute Act and The Payment of Wages Act. The workmen has raised a demand notice and state government has raised the dispute to Industrial Tribunal cum Labour court. The tribunal has passed order in favour of workmen with reinstatement with back wages. The Company has filed a Writ in the Punjab and Haryana High court in Chandigarh for these cases and the same was listed for hearing for grant of stay on May 25, 2018. The Company is contesting the demands and the management, including its legal advisors, believe that its position will likely to be upheld in the High Courts and accordingly no provision has been accrued in the financial statements for the demand raised.

The management believes that the ultimate outcome of these proceeding will not have a material adverse effect on the Company's financial position and results of operations

(C) Undrawn committed borrowing facility

- (a) The company has availed working capital limit amounting to Rs. 1,760 lakhs from HDFC Bank Limited which remain undrawn as at 31st March, 2018.
- (b) Working capital limit from HDFC Bank are secured by way of:
- (i) pari-passu first charge with HDFC Bank Limited by way of hypothecation on entire stocks of raw materials, semi-finished goods, finished goods, stores and spares, bill receivables, book debts and all movable and other current assets of the Company.
- (ii) pari-passu second charge with HDFC Bank Limited by way of equitable mortgage of land and building at Borakalan, Haryana.
- (iii) pari-passu second charge on all moveable fixed assets.
- (c) The Company has a debit balance in cash credit account with HDFC Bank as on date of Balance Sheet except in case of Yes Bank Limited where the company has sanctioned working capital limit of Rs. 1,760 lakhs and balance outstanding of Rs. 74.40 lakhs represented under short- term borrowings as at 31st March, 2018. {refer note no. 22}.

(D) For commitments relating to leases, refer note 38(h).

28 Revenue from operations

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Sale of products (including excise duty)	100,040.68	94,719.42
Other operating revenues		
Scrap sales	97.07	57.96
Revenue from operations (gross)	100,137.75	94,777.38

Note :

- a) According to the requirement of IND AS, revenue for the year ended 31st March, 2017 were reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from 01st July, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per IND AS 18, the revenue for the year ended 31st March, 2018, is reported net of GST and inclusive of excise duty pertaining to April' 2017 to June' 2017.
- b) Excise duty collected from customers included in sale of products amounting to Rs. 3,109.72 lakhs (31st March, 2017: Rs. 10,736.69 lakhs).

29 Other income

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Interest received on financial assets carried at amortised cost:		
Bank deposits	0.68	-
Others	18.03	-
Other non-operating income		
Management Consultancy Income	49.90	49.93
Rental Income	22.31	21.25
Excess provision no longer required written back	12.43	2.01
Miscellaneous Income	17.55	75.02
	120.90	148.21

30 Cost of materials consumed

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Polyurethane	15,388.34	10,470.14
Trim	19,948.61	17,672.21
Frame	14,822.78	13,057.43
Adjuster / Recliner	14,679.65	17,328.19
Others	17,376.41	14,862.86
	82,215.79	73,390.83

31 Purchase of traded goods

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Gypsy hoods	35.44	60.61
	35.44	60.61

32 Changes in inventories of finished goods, work-in-progress and traded goods

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Inventory at the beginning of the year		
Finished goods	174.85	263.23
Work in progress	124.58	75.74
Traded Goods	3.37	1.45
Scrap materials	0.50	0.50
	303.30	340.92
Inventory at the end of the year		
Finished goods	215.48	174.85
Work-in-progress	100.14	124.58
Traded Goods	4.26	3.37
Scrap materials	0.50	0.50
	320.38	303.30
Changes in inventories of finished goods, work-in-progress and traded goods ((Increase) / Decrease)	(17.08)	37.62

33 Employee benefits expense

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, wages, bonus and other benefits	2,137.96	1,791.88
Contributions to provident and other funds	144.99	109.74
Gratuity expense (refer note No. 38 (a))	53.09	31.59
Staff welfare expenses	171.96	146.62
	2,508.00	2,079.83

34 Finance costs

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Interest expense	315.98	433.98
Bank Charges	4.40	13.14
	320.38	447.12

35 Depreciation and amortization expenses

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation of tangible assets (refer note 5)	1,888.90	1,710.34
Amortization of intangible assets (refer note 5)	22.18	-
	1,911.08	1,710.34

36 Other expenses

(Rs. in lakhs except as otherwise stated)

	Year ended 31st March 2018	Year ended 31st March 2017
Power and fuel	1,185.07	975.67
Rent	89.11	41.79
Increase/(Decrease) in excise duty on inventory of finished goods	(20.45)	(10.06)
Repair and maintenance:		
Buildings	57.87	56.08
Plant and machinery	330.45	240.96
Others	23.04	20.20
Insurance	33.86	33.02
Research and development expenses - (refer note 38(j))	193.67	238.35
Consumption of stores and spares	175.87	122.22
Payment to Auditors		
As Auditors:		
Audit Fee	30.50	5.95
Tax Audit Fee	-	1.10
In other capacity	-	4.35
Reimbursement of expenses	-	0.12
Loss on sale/discard of fixed assets	41.54	29.33
Contribution towards Corporate Social Responsibility (CSR) (refer note no. 38 (d))	26.23	6.50
Factory expenses	2,083.18	1,626.71
Legal and professional expenses	261.16	181.66
Technical know how fees and royalty	134.13	121.22
Travelling and conveyance	332.93	367.68
Miscellaneous expenses	847.14	717.71
	5,825.30	4,780.56

37 Earnings per equity shares

(Rs. in lakhs except as otherwise stated)

		Year ended 31st March 2018	Year ended 31st March 2017
a) Basic Earnings per share			
Numerator for earnings per share			
Profit after taxation		2,821.51	1,217.31
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	31,400,000	31,400,000
Earnings per share- Basic (one equity share of Rs. 2/- each)	Rs.	8.99	3.88
b) Diluted Earnings per share			
Numerator for earnings per share			
Profit after taxation		2,821.51	1,217.31
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	(Nos.)	31,400,000	31,400,000
Earnings per share- Diluted (one equity share of Rs. 2/- each)	Rs.	8.99	3.88

Note: There are no instruments issued by the Company which have effect of dilution of basic earning per share.

38. OTHER NOTES TO ACCOUNTS

- a. Disclosures pursuant to Ind AS-19 "Employee Benefits"(specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below :

Contribution to Defined Contribution Plan, recognised as expense for the year is as under:

(Rs. in lakhs except as otherwise stated)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Provident fund/ other employees fund	144.99	109.74	94.87	70.52	55.60

Defined Benefit Plan

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 in the statement of the profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Reconciliation of opening and closing balances of Defined Benefit obligation

(Rs. in lakhs except as otherwise stated)

Particulars	Leave Encashment (Unfunded)		Gratuity (Funded)	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
Opening defined benefit obligation	149.09	119.51	241.65	206.95
Current Service Cost	46.79	25.37	51.84	28.19
Interest Cost	10.73	9.20	17.40	15.94
Remeasurment (gains)/ losses	1.03	9.40	31.39	(0.72)
Benefits paid	(21.77)	(14.39)	(8.27)	(8.71)
Closing defined benefit obligation	185.87	149.09	334.01	241.65

ii) Reconciliation of opening and closing balances of fair value of plan assets

(Rs. In Lakhs except as otherwise stated)

Particulars	Gratuity (funded)	
	As at 31st March 2018	As at 31st March 2017
Opening fair value of plan assets	211.05	174.84
Addition/(reduction) due to difference identified in the plan assets at the beginning of the period	0.89	(0.86)
Correct fair value of plan assets at the beginning of the period	211.94	173.97
Interest income	15.26	13.40
Remeasurment gain /(loss): -Return on plan assets (expected amounts included in net interest expense)	2.03	0.27
Contributions from the employer	30.60	32.12
Benefits paid	(8.27)	(8.71)
Closing fair value of plan assets	251.56	211.05

iii) Net defined benefit asset/ (liability) recognised in the balance sheet

(Rs. in lakhs except as otherwise stated)

Particulars	Leave Encashment (Unfunded)		Gratuity (Funded)	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
Present value of defined benefit obligation	185.87	149.09	334.01	241.65
Fair value of plan assets	-	-	251.56	211.05
Amount recognised in Balance Sheet - Asset / (Liability)	(185.87)	(149.09)	(82.45)	(30.60)

iv) Net defined benefit expense (Recognised in the Statement of profit and loss for the year)

(Rs. in lakhs except as otherwise stated)

Particulars	Leave Encashment (Unfunded)		Gratuity (Funded)	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
Current service cost	46.79	25.37	51.84	28.19
Interest cost on benefit obligation	10.73	9.20	2.14	2.54
Reduction due to difference in plan assets at the beginning of the period	-	-	(0.89)	0.86
Re-measurements	1.03	9.40	-	-
Defined Benefit Cost recognised in statement of Profit or Loss	58.55	43.97	53.09	31.59

v) Re-measurement (gain)/ loss recognised in other comprehensive Income

(Rs. In Lakhs except as otherwise stated)

Particulars	Leave Encashment (Unfunded)		Gratuity (Funded)	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
Return on plan assets (excluding amount included in net interest expense)	-	-	(2.03)	(0.27)
Actuarial (gains)/ losses arising from changes in demographic assumption	-	-	13.46	-
Actuarial (gains)/ losses arising from changes in financial assumptions	-	4.05	44.05	9.08
Actuarial (gains)/ losses arising from experience adjustments	-	5.34	(26.12)	(9.80)
Defined benefit costs recognised in other comprehensive income	-	9.40	29.37	(0.99)

vi) Broad categories of plan assets as a percentage of fair value of total plan assets

Particulars	Gratuity
Insured with LIC	100.00%

vii) Principal assumptions used in determining defined benefit obligation

Particulars	Leave encashment		Gratuity	
	2017-18	2016-17	2017-18	2016-17
Discount rate	7.40%	7.20%	7.40%	7.20%
Salary Escalation	9.00%	6.00%	9.00%	6.00%
Average outstanding service of employees up to retirement (years)	24.44	24.34	26.64	24.60

viii) Quantitative sensitivity analysis for significant assumptions is as below:

(Rs. in lakhs except as otherwise stated)

Particulars	Leave Encashment (Unfunded)		Gratuity (Funded)	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
Change in discount rate				
Decrease in defined benefit obligation due to 1% increase in discount rate	7.33	7.89	17.44	17.61
Increase in defined benefit obligation due to 1% decrease in discount rate	8.01	8.80	19.33	20.15
Change in salary escalation				
Increase in defined benefit obligation due to 1% increase in expected salary escalation rate	7.81	8.82	18.05	18.51
Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate	7.29	8.05	16.89	16.94

ix) Maturity profile of defined benefit obligation

(Rs. In Lakhs except as otherwise stated)

Particulars	Leave Encashment (Unfunded)		Gratuity (Funded)	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
(i) Weighted average duration of the defined benefit obligation			9 years	13 years
Within next 12 months	38.09	19.42	27.17	5.47
Between 2 to 5 years	86.89	56.57	157.79	73.45
Above 5 years	60.88	73.11	149.05	162.73
Total	185.86	149.10	334.01	241.65
(ii) Duration of defined benefit payments				
Within next 12 months	39.48	19.90	28.33	5.77
Between 2 to 5 years	107.25	79.82	198.48	93.72
Above 5 years	123.17	156.64	325.31	397.11
Total	269.90	256.36	552.12	496.60

x) Enterprise best estimate of contribution during next year

(Rs. in lakhs except as otherwise stated)

Particulars	Leave encashment		Gratuity	
	2017-18	2016-17	2017-18	2016-17
Enterprise best estimate of contribution during next year	60.63	44.51	43.35	28.70

- xi) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- xii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- xiii) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefits obligation as a result of reasonable changes in key assumption occurring at the end of the reporting period.
- xiv) The plan assets are maintained with Life Insurance Corporation of India (LIC).

b. 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.

The revenue from external customer includes revenue from one customer which is equal to 10% or more of entity's revenue amounts to Rs. 93,986.42 lakhs (31st March, 2017: Rs 89,904.80 lakhs).

c. Related party transactions

The related parties as per the terms of Ind AS-24,"Related Party Disclosures", (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are disclosed below:-

A. Names of related parties and description of relationship:

	Nature of relationship	Names of related parties
i)	Entities with Joint Control or significant influence over the Bharat Seats Limited	Maruti Suzuki India Limited Suzuki Motor Corporation, Japan. Sharda Motor Industries Limited
ii)	Key management personnel	Mr N D Relan (till 2 nd June, 2016) Mr. Rohit Relan - Chairman and Managing Director Mr. T.J. Chacko - Whole Time Director (upto 30 th November, 2017) Mr. Rishabh Relan - Chief Operating Officer Mr. Ayush Relan Assistant Chief Operating Officer Mr. Sanjeev Kumar - Chief Financial Officer Ms. Ritu Bakshi - Company Secretary
iii)	Relatives of key management personnel	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
iv)	Enterprises over which entities referred in (i) above is able to exercise significant influence	Toyota Boshoku Relan India Private Limited Suzuki Motorcycle India Private Limited Suzuki Motor Gujarat Private Limited Toyo Sharda India Private Limited

B. Transactions during the year

(Rs. In Lakhs except as otherwise stated)

	31st March, 2018	31st March, 2017
i) Sale of products (including excise duty)		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	93,986.42	89,904.80
Sharda Motor Industries Limited	35.75	-
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyo Sharda India Private Limited	159.49	291.63
Suzuki Motorcycle India Private Limited	5,690.29	4,389.12
Suzuki Motor Gujarat Private Limited	103.08	-
	99,975.03	94,585.55
ii) Purchases of Material, traded goods (Including all taxes)		
Entities with Joint Control or significant influence over the Company		
Sharda Motor Industries Limited	36,781.70	36,246.94
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyo Sharda India Private Limited	1,398.63	1,005.32
	38,180.33	37,252.26



	31st March, 2018	31st March, 2017
iii) Other Income:		
a) Rental Income:		
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyo Sharda India Private Limited	22.31	21.25
b) Management Consultancy Income:		
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyo Sharda India Private Limited	49.90	49.93
c) Jobwork Income:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	1.50	-
Sharda Motor Industries Limited	-	26.55
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyo Sharda India Private Limited	12.56	8.91
Suzuki Motorcycle India Private Limited	0.30	-
d) Interest Income:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	18.71	-
	105.28	106.64
iv) Remuneration Paid		
Key management personnel		
Rohit Relan		
- Short term employee benefits	123.00	106.53
- Post employment benefits	14.43	12.83
T. J. Chacko		
- Short term employee benefits	28.69	47.33
- Post employment benefits	1.67	2.42
Sanjeev Kumar		
- Short term employee benefits	23.40	20.12
- Post employment benefits	10.09	9.19
Rishabh Relan		
- Short term employee benefits	28.02	22.20
- Post employment benefits	5.86	6.74
Ayush Relan		
- Short term employee benefits	13.41	12.00
- Post employment benefits	1.89	2.39
Ritu Bakshi		
- Short term employee benefits	13.04	10.92
- Post employment benefits	2.87	5.90
	266.37	258.57



	31st March, 2018	31st March, 2017
v) Other Expenses :		-
a) Power & Fuel		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	583.60	530.06
b) Rent:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	18.56	18.46
c) Factory Expenses:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	37.06	-
d) Sitting Fees:		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	1.60	1.60
Suzuki Motor Corporation, Japan	0.80	1.60
Key management personnel		
N. D. Relan	-	1.20
Relatives of key management personnel		
Sharda Relan	1.20	0.80
Ajay Relan	1.20	0.80
	644.02	554.52
vi) Interest expense		
Key management personnel		
Rohit Relan	125.89	25.67
N. D. Relan	-	3.24
Relatives of key management personnel		
Ajay Relan	9.06	66.09
Sharda Relan	2.54	15.31
	137.49	110.31
vii) Dividend paid:-		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	41.85	41.85
Suzuki Motor Corporation, Japan	41.85	41.85
Sharda Motor Industries Limited	81.00	81.00
Key management personnel		
Rohit Relan	2.79	2.79
Rishabh Relan	3.14	3.14
Ayush Relan	1.76	1.76
Relatives of key management personnel		
Ajay Relan	2.85	2.85
Sharda Relan	11.26	11.26
Ritu Relan	2.45	2.45
Pranav Relan	3.69	3.69
	192.64	192.64



	31st March, 2018	31st March, 2017
viii) Expenses incurred on behalf of other entity:		
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyo Sharda India Private Limited	13.66	17.77
	13.66	17.77
ix) Loans received from related parties		
Key management personnel		
Rohit Relan	1,390.00	-
	1,390.00	-
x) Loan repaid		
Relatives of Key management personnel		
Ajay Relan	695.00	-
Sharda Relan	195.00	-
	890.00	-
xi) Advance received during the year		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	1,460.77	259.22
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Suzuki Motorcycle India Private Limited	38.70	9.08
	1,499.47	268.30

C. Closing Balances at the year end

(Rs. In Lakhs except as otherwise stated)

	31st March, 2018	31st March, 2017
i) Trade receivables		
Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	9,595.38	8,860.74
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyo Sharda India Private Limited	-	22.40
Suzuki Motorcycle India Private Limited	752.56	528.69
Suzuki Motor Gujarat Private Limited	63.08	-
	10,411.02	9,411.83
ii) Trade Payable		
Entities with Joint Control or significant influence over the Company		
Sharda Motor Industries Limited	3,140.82	3,696.96
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyo Sharda India Private Limited	48.17	-
	3,188.99	3,696.96



	31st March, 2018	31st March, 2017
iii) Performance bank guarantee outstanding in favour of: Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	1,460.77	142.59
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Suzuki Motorcycle India Private Limited	11.40	9.08
	1,472.17	151.67
iv) Advance received from customers Entities with Joint Control or significant influence over the Company		
Maruti Suzuki India Limited	1,015.01	-
Enterprises over which entities referred in (i) above is able to exercise significant influence		
Suzuki Motorcycle India Private Limited	26.60	9.08
	1,041.61	9.08
v) Other Receivable Enterprises over which entities referred in (i) above is able to exercise significant influence		
Toyota Boshoku Relan India Private Limited	115.34	115.34
	115.34	115.34
vi) Unsecured Loans from Related parties Key management personnel		
Rohit Relan	1,660.00	270.00
Relatives of key management personnel		
Ajay Relan	-	695.00
Sharda Relan	-	195.00
	1,660.00	1,160.00

Note: The remuneration to the key management personnel does not include the provision made for leave benefits, as it has been determined on an actuarial basis for the Company as a whole.

Terms and Conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

d. Expenditure on corporate social responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. 26.23 lakhs (31st March, 2017: Rs. 6.50 lakhs) towards education and healthcare purpose. The same is debited to the Statement of Profit And Loss.

(Rs. In Lakhs except as otherwise stated)

Details of CSR Expenditure				As at 31st March, 2018	As at 31st March, 2017
a)	Gross amount required to be spent by the Company during the year			25.36	19.98
b)	Amount spent during year	Amount spent		Total	
		2018	2017	2018	2017
	(i) Construction/ acquisition of any asset	-	-	-	-
	(ii) On purposes other than above	26.23	6.50	26.23	6.50

e. Fair Value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of their fair value:

(Rs. In Lakhs except as otherwise stated)

Financial Instruments by category	Carrying Value		Fair Value	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Financial assets at amortized cost				
Loans	72.07	53.84	72.07	53.84
Cash and cash equivalents	244.57	26.89	244.57	26.89
Other bank balances	66.20	88.69	66.20	88.69
Other financial assets	115.34	115.34	115.34	115.34
Trade receivables	10,419.43	9,416.14	10,419.43	9,416.14
Total	10,917.61	9,700.90	10,917.61	9,700.90
Financial liabilities at amortized cost				
Non-current borrowings	2,227.43	1,960.67	2,227.43	1,960.67
Current borrowings	74.40	3061.52	74.40	3061.52
Trade payables	14,936.22	12,294.61	14,936.22	12,294.61
Other financial liabilities	634.30	1,931.99	634.30	1,931.99
Total	17,872.35	19,248.79	17,872.35	19,248.79

The fair value of the financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumption were used to estimate the fair value.

- i) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flow or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- ii) Receivables/Payables are evaluated by the Company based on parameters such as interest rate, risk factors, and individual credit worthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- iii) The significant unobservable inputs used in the fair value measurement categorized within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March, 2018 are as shown below :-

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Quantitative disclosures fair value measurement hierarchy for assets as on 31st March 2018:

(Rs. In Lakhs except as otherwise stated)

Particulars	Carrying value 31st March, 2018	Fair value		
		Level 1	Level 2	Level 3
Assets carried at cost for which fair values are disclosed				
Loans	72.07	-	-	72.07
Cash and cash equivalents	244.57	-	244.57	-
Other bank balances	66.20	-	66.20	-
Other financial assets	115.34	-	-	115.34
Trade receivables	10,419.43	-	-	10,419.43
Liabilities carried at cost for which fair values are disclosed				
Non-current borrowings	2,227.43	-	567.43	1,660.00
Current borrowings	74.40	-	74.40	-
Trade payables	14,936.22	-	-	14,936.22
Other financial liabilities	634.30	-	240.63	393.67

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

(Rs. in lakhs except as otherwise stated)

Particulars	Carrying value 31st March, 2017	Fair value		
		Level 1	Level 2	Level 3
Assets carried at cost for which fair values are disclosed				
Loans	53.84	-	-	53.84
Cash and cash equivalents	26.89	-	26.89	-
Other bank balances	88.69	-	88.69	-
Other financial assets	115.34	-	-	115.34
Trade receivables	9,416.14	-	-	9,416.14
Liabilities carried at cost for which fair values are disclosed				
Non-current borrowings	1,960.67	-	800.67	1,160.00
Current borrowings	3061.52	-	3,061.52	-
Trade payables	12,294.61	-	-	12,294.61
Other financial liabilities	1,931.99	-	1242.64	689.35

Note: The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

f. Financial risk management

The Company has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Corporate Finance department, evaluates financial risks in close co-operation with the various stakeholders.

The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31st March, 2018 and 31st March, 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31st March, 2018 and 31st March, 2017.

a) Currency risk:-

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro and JPY exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities.

Unhedged foreign currency exposures recognized are as under:

(Rs. In Lakhs except as otherwise stated)

Currency	Currency Symbol	31 st March, 2018		Gain/(loss)	
		Foreign Currency	Indian Rupees	Impact on profit before tax	
				5% Increase	5% Decrease
United States Dollar	\$	0.74	48.22	(2.41)	2.41
Japanese Yen	JPY	191.61	117.92	(5.53)	5.53
EURO	EURO	0.53	42.94	(2.15)	2.15

Currency	Currency Symbol	31 st March, 2017		Gain/(loss)	
		Foreign Currency	Indian Rupees	Impact on profit before tax	
				5% Increase	5% Decrease
United States Dollar	\$	16.73	1,026.13	(11.60)	11.60
Japanese Yen	JPY	592.26	343.28	(10.53)	10.53
EURO	EURO	0.01	0.66	(0.03)	0.03

The Company has derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial instruments. The details of the outstanding foreign exchange forward are as follows:

	31 st March, 2018	31 st March, 2017
Aggregate amount of Outstanding:		
Forward/option contracts	-	893.61

b) Interest rate risk:

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates:

Sensitivity Analysis	Gain/(loss)	
	Impact on profit before tax	
	0.5% Increase	0.5% Decrease
31 st March, 2018	(12.67)	12.67
31 st March, 2017	(31.28)	31.28

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:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees' prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the senior management of the Company.

The table below represents the maturity profile of Company's financial liabilities at the end of 31st March, 2018 and 31st March, 2017 based on contractual undiscounted payments:

(Rs. In Lakhs except as otherwise stated)

As at 31st March, 2018	0-1 year	1-5 years	Total
Trade payable	14,936.22	-	14,936.22
Interest bearing borrowings	317.58	2234.07	2551.65
Other financial liabilities	393.67	-	393.67
Total	15,647.47	2,234.07	17,881.54

As at 31st March, 2017	0-1 year	1-5 years	Total
Trade payable	12,294.61	-	12,294.61
Interest bearing borrowings	4,306.72	1969.89	6,276.61
Other financial liabilities	689.36	-	689.36
Total	17,290.69	1,969.89	19,260.58

Reconciliation of Interest bearing borrowings

(Rs. in lakhs except as otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017
(i) Non-Current borrowings	2,227.43	1,960.67
(ii) Short-term borrowings	74.40	3,061.52
(iii) Current maturity of long term borrowings	240.63	1,242.64
Processing fees adjusted from borrowings	9.19	11.78
Total	2,551.65	6,276.61

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 financials 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.

g. Capital Management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2018 and 31st March, 2017.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0% to 10%.

The gearing ratio for each year is as follows:-

(Rs. In Lakhs except as otherwise stated)

Particulars	31st March, 2018	31st March, 2017
Total Borrowings (including current maturities)	2,542.46	6,264.83
Less: Cash and cash equivalents	(244.57)	(26.89)
Net debt	2,297.89	6,237.94
Equity	8,676.05	6,213.88
Total capital	8,676.05	6,213.88
Capital and net debt	10,973.94	12,451.82
Gearing Ratio (Net debt to equity ratio)	0.21	0.50

h. Lease
Operating lease commitments-Company as lessee

- The Company has taken various commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. The annual increments are expected to be in line with the expected general inflation to compensate the lessor for the expected inflationary cost increase.
- The Company has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. Normally there are renewal and escalation clauses in these contracts. The total of future minimum lease payments in respect of such leases are as follows:

(Rs. in lakhs except as otherwise stated)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(i) not later than one year	93.54	39.60
(ii) later than one year and not later than five years	420.33	179.69
(iii) later than five years	366.42	157.11
Total minimum lease payments	880.29	376.40
Lease payments recognised in the statement of profit and loss as rent expense for the year	89.11	41.79

Operating lease commitments-Company as lessor

The Company has entered into a cancellable operating lease with Toyo Sharda India Private Limited 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. The total rent recognised as income during the year is Rs. 22.31 lakhs (31st March 2017: Rs. 21.25 lakhs).

- i. Disclosures pursuant to Ind AS-8 “Accounting policies, changes in accounting estimates and errors”(specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015) are given below :

Following are the restatement made in the current year financial statements in previous year.

(Rs. In lakhs except as otherwise stated)

	As at 31 st March, 2017	As at 31 st March, 2017 (Restated)	Nature
ASSETS			
Other non-current assets	263.64	108.80	Re-classification items
Other financial assets (current)	-	115.34	Re-classification items
Other current assets	481.19	498.16	Re-classification items
EQUITY AND LIABILITIES			
Trade payables	11,253.25	12,294.61	Re-classification items
Other financial liabilities (current)	2,995.88	1,931.99	Re-classification items

(Rs. in lakhs except as otherwise stated)

	Year ended 31 st March, 2017	Year ended 31 st March, 2017 (Restated)	Nature
INCOME			
Revenue from operations	93,260.18	94,777.38	Re-classification items
Other Income	207.95	148.21	Re-classification items
EXPENSES			
Cost of materials consumed	71,933.37	73,390.83	Re-classification items
Changes in inventories of finished goods, work-in-progress and traded goods	27.56	37.62	Re-classification items
Other expenses	4,790.62	4,780.56	Re-classification items

- The above restatements in previous year have been made, wherever necessary to conform to the current year classification/disclosure and doesn't have any impact on the profit, hence no change in the basic and diluted earnings per share of the previous year.
- The above restatements doesn't have any impact at the beginning of the previous year i.e. 01st April, 2016.

- j. During the year, the Company has incurred following expenditure on research and developments:

(Rs. in lakhs except as otherwise stated)

Particulars	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
a) Revenue Expenditure		
Other Expenses:		
Salary/Wages	141.74	145.41
Development & other expenses	51.93	92.94
Total (a)	193.67	238.35
b) Capital Expenditure:		
Property, plant and equipment	28.21	90.63
Intangible assets	12.51	83.63
Total (b)	40.72	174.26

The Research and Development facilities are located at the Head office, Gurugram in Haryana and are approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The Company is entitled to a weighted deduction of 150% of the expenditure incurred at this unit under section 35(2AB) of the Income Tax Act, 1961.

k. Dividend Paid and Proposed

(Rs. In Lakhs except as otherwise stated)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Dividend declared and paid during the year:		
Final Dividend for the year ended 31st March, 2017	282.60	282.60
Re. 0.90 per equity share (31st March, 2016: Re.0.90 per equity share)	57.53	57.53
Corporate dividend tax paid on final dividend	340.13	340.13
Proposed dividend on Equity Shares		
Final Dividend for the year ended 31st March, 2018	314.00	282.60
Re. 1 per equity share (31st March, 2017 Re.0.90 per equity share)		
Corporate Dividend Tax on proposed dividend	64.54	57.53
Total	378.54	340.13

- I. Note no. 1 to 38 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
For S. R. Batliboi & Co. LLP
 Chartered Accountants
 ICAI Firm Registration number
 301003E/E300005

For and on behalf of the Board of Directors of
Bharat Seats Limited

Rohit Relan
 Chairman and Managing Director
 (DIN 00257572)

Rajat Bhandari
 Senior Vice President
 (Finance)

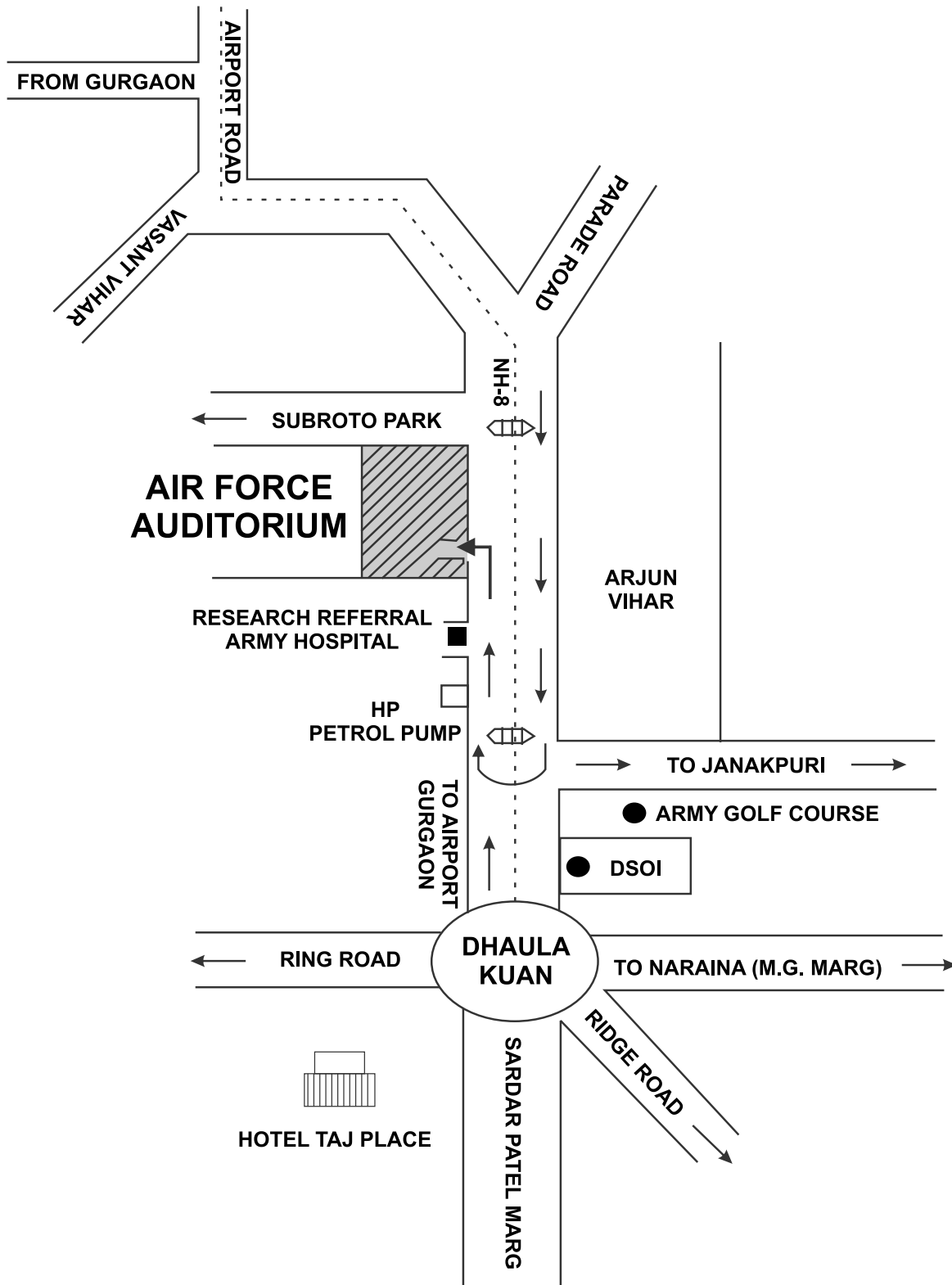
per Atul Seksaria
 Partner
 Membership No. 086370
 Date: 19th April, 2018
 Place :Gurugram

Sanjeev Kumar
 Chief Financial Officer

Ritu Bakshi
 Company Secretary



ROUTE MAP FOR ANNUAL GENERAL MEETING



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



If undelivered please return to :

BHARAT SEATS LIMITED

JOINT VENTURE PLOT NO. 1, MARUTI COMPLEX,
GURUGRAM - 122015 (HARYANA)



BHARAT SEATS LIMITED

ATTENDANCE SLIP

(CIN: L34300DL1986PLC023540)

Registered Office: 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070.

Email: Investor_relations@bharatseats.net, Website: www.bharatseats.com

Phone: +91 9810808631, Fax: 0124-2341188

I/WE HEREBY RECORD MY PRESENCE AT THE THIRTY FIRST ANNUAL GENERAL MEETING OF BHARAT SEATS LTD. BEING HELD AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI-110010 ON TUESDAY, 25TH SEPTEMBER., 2018 AT 11 A.M.

Member's Folio/DP ID-Client-ID

Member's/ Proxy's name in Block Letters

Member's/Proxy's Signature



BHARAT SEATS LIMITED

PROXY FORM

(CIN: L34300DL1986PLC023540)

Registered Office: 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070.

Email: Investor_relations@bharatseats.net, Website: www.bharatseats.com, Phone: 91 9810808631, 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 31st Annual general meeting of the Company to be held on Tuesday, the 25th day of September, 2018 at 11:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi 110010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS
ORDINARY BUSINESS	
1.	To receive, consider and adopt the audited financial Statements, Reports of the Board of Directors and Auditors for the year ended 31st March, 2018
2.	Declaration of Dividend
3.	Re-appointment of Mr. Toshiya Miki, Director who retires by rotation

Signed thisday of2018

Signature of shareholder(s)

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 then 48 hours before the commencement of the meeting.

Affix Re 1.00 Revenue Stamp
