



BHARAT SEATS LIMITED

Plot No.1, Maruti Udyog Joint Venture Complex, Gurugram-122015 (Haryana) India
Phones : +91-9643339870-74 Fax : 0124-2341188 E-mail:seats@bharatseats.net
CIN: L34300DL1986PLC023540 WEBSITE: www.bharatseats.com

22.08.2019

Corporate Relationship Department

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

REF: CODE : 523229

Sub: Notice of 32nd Annual General Meeting and Annual report for the financial year 2018-19

Dear Sir

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice for the 32nd Annual General Meeting of Bharat Seats Limited scheduled to be held on 19th September, 2019 along with Annual Report of the Company for the financial year 2018-19.

This is for your information and record.

FOR BHARAT SEATS LIMITED

Ritu Bakshi

(RITU BAKSHI)
COMPANY SECRETARY
Encl: As Above





32ND ANNUAL REPORT 2018-2019



BHARAT SEATS LIMITED

**Corporate Information****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. Ms. 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. Ms. Shyamla Khera | Independent Director (DIN: 06929439) |
| 10. Mr. Arvind Varma | Independent Director (DIN: 02225281) |

CIN: L34300DL1986PLC023540

Corporate Identity Number**Bankers**

Yes Bank Ltd.
HDFC Bank Ltd.
MUFGBank, Ltd.
State Bank of India
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

Mr. Sanjeev Kumar

Company Secretary And Compliance Officer

Ms. 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)

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

Phones : +91 9643339870-74, Fax : 0124-2341188

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

NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the members of BHARAT SEATS LIMITED will be held on Thursday, 19th September, 2019 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, 2019 together with the reports of the 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, 2019 together with the reports of the Directors and Auditors thereon be and are hereby received, considered and adopted."

2. To declare dividend on equity shares for the financial year ended March 31, 2019 and in this regard to 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 Ms. Sharda Relan (DIN: 00252181) who retires by rotation at this meeting as a Director and being eligible offers herself for re-appointment and in this regard to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Ms. Sharda Relan (DIN: 00252181) who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Special Business:

4. To approve and authorise related party transaction and in this regard to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended and approved by the Audit Committee

and Board of Directors in their respective meetings held on 23rd July, 2019 the consent of the Company be and is hereby accorded for entering into contract or arrangement with the related parties as defined under the Act and the Rules made thereunder, as per details and on terms & conditions as set out under Item no. 4 of the Explanatory Statement annexed to this Notice."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

5. To alter Memorandum of Association and in this regard to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, for the time being in force, and rules made there-under and subject to necessary statutory approvals and modifications, if any, Memorandum of Association of the Company be altered in the following manner:

- a) Nomenclature of existing Clause III(B) i.e. 'Objects incidental or ancillary to the attainment of the main objects', be changed to 'Matters which are necessary for furtherance of the objects specified in Clause III(A)'
- b) In serial no.1 of Clause III(B), 'Section 55A and Section 292 of Companies Act' be substituted with 'Section 73 and Section 186 of the Companies Act, 2013.'
- c) In serial no.25 of Clause III(B), 'political parties' be added.
- d) Existing Clause III(C) i.e. 'Other objects' be deleted.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To adopt a new set of Articles of Association and in this regard to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of

the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, for the time being in force, and rules made there-under and subject to necessary statutory approvals and modifications, if any, a new set of Articles of Association of the Company, consisting Article 1 to Article 98 be and is hereby approved in total exclusion and substitution of existing articles of Association consisting Article 1 to 142.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Bharat Seats Limited

Place: New Delhi
Date: 23rd July, 2019

Ritu Bakshi
Company Secretary
FCS No. 3401

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in regard to the business as set out from item nos. 4 to 6 and the relevant details pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment /re-appointment at this Annual General Meeting ("AGM") is also annexed.
2. (i) (a) A MEMBER ENTITLED TO ATTEND AND VOTE **THE ANNUAL GENERAL MEETING (AGM)** IS ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE ONLY ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
(b) 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.
(c) 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.
- (d) 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 13th September, 2019 to Thursday, 19th September, 2019, both days inclusive, for determining the entitlement of the shareholders to the Dividend for 2018-19, if declared.
4. The Dividend on Equity Shares, as recommended by the Board of Directors, if declared at the meeting, will be credited/ dispatched between 19th September, 2019 and 18th October, 2019 to those shareholders whose names appear in the Register of Members on 12th September, 2019, after giving effect to valid transfer requests lodged with the Company on or before 12th September, 2019. 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 12th September, 2019.
5. Members who hold shares in dematerialised form may kindly note that their Bank Account details, registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Alankit Assignments Ltd. cannot act on any request received directly from the members holding shares in dematerialised form, for deletion of or change in such Bank Account details. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete

details of Bank Account. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend, are requested to write to the Company/ Alankit Assignments Ltd.

6. The Company has transferred the unpaid or unclaimed dividends declared up to the financial years 2010-2011, from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
7. 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 25th September, 2018 (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-25-9-2018.pdf.
8. Members are requested to note that, dividends if not encashed for a 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 if not encashed for a consecutive period of 7 (seven) years 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 2011-12 and thereafter to IEPF are as follows:

F.Y. Ended	Declaration Date	Due Date
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
March 31, 2018	September 25, 2018	October 23, 2025

9. (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 2018-19, 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. September 1, 2018. 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.
10. SEBI vide notification no. SEBI/LAD-NRO/ GN/2018/24 dated Jun 8, 2018 has amended Regulation 40 of the Listing Regulations mandating transfer of securities in to be carried out only in dematerialized form (except in case of transmission or transposition of shares) which shall be effective from 1st April, 2019. Accordingly for transfer of shares of listed entities will not be processed unless the securities are held in dematerialized form with depositories. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares.
11. To prevent fraudulent transactions, members are requested to notify any change in address or demise of any member, as soon as possible.
12. 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.
13. 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.
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 2018-19 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 Second 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:
- Name of the Sole/ First joint holder and the Folio Number.
 - 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:
- 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 32nd 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).
 - 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.
 - 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.
 - The remote e-voting period begins on Monday, 16th September, 2019 at 9:00 a.m. and ends on Wednesday, 18th September, 2019 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 12th September, 2019, 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.
 - 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • 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 (iii).

- (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 of 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 cutoff date i.e. 12th September, 2019.
- 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 cutoff date i.e. 12th Sep., 2019, 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 cutoff 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, CP No. 2514) and failing him Mohd. Akbar, Company Secretary in Practice (Membership Number: ACS 43323, CP No. 16097) 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

Place : New Delhi
Date : 23rd July, 2019

Ritu Bakshi
Company Secretary
FCS No. 3401

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013
ITEM NO. 3

Ms. Sharda Relan has confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed Companies.

ITEM NO. 4

In accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions require prior approval of the Audit Committee and all material Related Party Transactions require approval of the shareholders through Ordinary Resolution. A transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Section 188 of the Companies Act, 2013 deals with Related party Transactions and Sub section (1) of Section 188 of the Companies Act, 2013 provides that nothing in this sub section shall apply to any transactions entered into by the Company with Related party, which are in its ordinary course of business, other than transactions which are not on arm's length basis. In Bharat Seats Ltd., all the related party transactions are in the ordinary course of business and at arm's length basis. Therefore, the approval under section 188 of the Companies Act is not required. Keeping in view the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and intent of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company have approved in their respective meetings held on 23rd July, 2019 respectively and recommended for seeking the approval of the shareholders for the financial year 2019-20 and onwards for the following transaction(s):

1	Name of the Party	Suzuki Motorcycle India Private Limited	Suzuki Motor Gujarat Private Limited
2	Nature of Transaction	Sale or supply of Goods/materials	Sale or supply of Goods/materials
3	Period of transaction	Transactions are repetitive in nature	Transactions are repetitive in nature
4	Maximum Amount of Transaction per annum	Rs. 200 crores	Rs. 500 crores
5	Indicative Base Price/ Current Contracted Price/ Formula for variation in price, if any	As per pricing of various models	As per pricing of various models
6	Other Terms & Conditions	Not Applicable	Not Applicable

The Board recommends the resolution set forth in item no. 4 for the approval of members.

It may be noted that these Companies do not fall under related party as defined under section 2(76) of Companies Act, 2013, but they are related parties as defined under Ind AS 24 and under Regulation 2(zb) of SEBI (LODR) Regulations, 2015 and the said parties do not hold any shares in the Company. Hence, Regulation 23(4) and Regulation 23(7) of SEBI (LODR) Regulations, which provides that no related party shall vote, are not applicable.

ITEM NO. 5 & 6

The existing Memorandum and Articles of Association of the Company are based on the provisions of the Companies Act, 1956. The Ministry of Corporate Affairs ('MCA') has notified most of the sections of the Act replacing the provisions of the Companies Act, 1956. The MCA has also notified the Rules pertaining to the further notified sections under the Act. In order to bring the existing Memorandum and Articles of Association of the Company in line with the provisions of the Act, Memorandum of Association are proposed to be altered and a new set of Articles is proposed to be adopted in substitution of and to the exclusion of the existing Articles of Association. The below table provides a summary of key changes to the existing Memorandum and Articles of Association:

- Memorandum of Association:** There is no major change except that the format of the existing Memorandum has been changed in line with Table A of Schedule I of the Companies Act, 2013.
- Articles of Association:** A new set of The Articles of Association is being adopted in line with Table F of Schedule-I of the Companies Act, 2013. The key changes are summarized as under:

Category	Article Number	Key changes
Quorum for general meeting	52	Quorum requirements have been modified as per the requirements of the Companies Act, 2013
Voting through electronic means	61	The provisions of exercising vote by the shareholders through electronic means have been inserted
Board of Directors	72	The limit of maximum number of Directors has been raised to fifteen from twelve
Appointment of Directors	72	The Independent Directors shall be appointed under the provisions of the Act and other regulations.
Chief Executive Officer, etc.	72	The provisions with regard to the appointment of Key Managerial Personnel under Section 203 of the Companies Act, 2013 have been inserted

According to Section 13 and 14 of the Companies Act, 2013, approval of the shareholders by special resolution is required for alteration in Memorandum of Association and adoption of new set of Articles of Association to replace the existing Articles. A copy of the proposed new set of Memorandum and Articles is available for inspection by the members at the registered office of the Company during normal business hours on all working days and is also available on the website of the Company at <https://www.bharatseats.com/investors/moa-and-aoa.aspx>

None of the Directors/KMPs of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends this resolution for approval of the members.

By Order of the Board
For Bharat Seats Limited

Place : New Delhi
Date : 23rd July, 2019

Ritu Bakshi
Company Secretary
FCS No. 3401

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	MS. SHARDA RELAN
DIRECTOR IDENTIFICATION NUMBER	00252181
AGE	83 years
DATE OF JOINING THE BOARD	20.07.2016
QUALIFICATION	Graduate
EXPERIENCE INCLUDING EXPERTISE IN SPECIFIC FUNCTIONAL AREA	Ms. Sharda Relan has a wide experience in management of automobile components sector and financial services.
TERMS & CONDITIONS OF APPOINTMENT/ RE-APPOINTMENT	As per the resolution at item no.3 of the Notice convening Annual General meeting on 19 th September, 2019
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	Mr. Rohit Relan-Son Mr. Ajay Relan-Son
NUMBER OF MEETINGS OF THE BOARD ATTENDED DURING THE YEAR	2
CHAIRMANSHIPS/ DIRECTORSHIPS HELD IN OTHER COMPANIES AS ON 31.03.2019	a. Sharda Motor Industries Ltd. (SMIL) b. Relan Industrial Finance Ltd. c. Sharda Auto Solutions Pvt. Ltd. d. NDR Auto Components Limited
CHAIRMANSHIPS/ MEMBERSHIPS OF COMMITTEES OF OTHER COMPANIES AS ON 31.03.2019	a. Chairperson-CSR Committee-(SMIL) b. Member- Audit Committee-(SMIL) c. Member-Stakeholders Relationship Committee-(SMIL)
NO. OF SHARES HELD IN THE COMPANY	12,51,350

By Order of the Board
For Bharat Seats Limited

Place : New Delhi
Date : 23rd July, 2019

Ritu Bakshi
Company Secretary
FCS No. 3401

BOARD'S REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 32nd Annual Report together with the Audited Accounts for the year ended 31st March, 2019.

Financial Results

Rupees In Lakhs

Particulars	2018-2019	2017-2018
Revenue from Operations	90,356.85	1,00,137.75
Other Income	527.54	120.90
Profit before Financial Charges & Depreciation	5485.74	6581.48
Less: Finance Costs	302.10	320.38
Profit before Depreciation & Taxation	5183.64	6261.10
Less:		
A) Depreciation	2061.25	1911.08
B) Provision for Taxation		
- Current Tax	831.76	1542.02
- Deferred Tax	142.94	(61.34)
- Adjustment of Tax Relating to earlier years	5.64	47.83
Net Profit after Tax	2,142.05	2821.51
Add: Other Comprehensive Income, Net of Taxes	16.33	(19.21)
Total Comprehensive Income for the year	2,158.38	2802.30
Transfer to General Reserve	-	-
Balance Carried Forward to Balance Sheet	2,158.38	2802.30

FINANCIAL HIGHLIGHTS AND OPERATIONS

The revenue from operations and other income for the financial year under review was Rs. 90,884.39 lakhs as against Rs. 100,258.65 lakhs for the previous financial year, i.e. a decrease by 9.35%. The profit before finance costs, depreciation and taxation is Rs.5485.74 lakhs for the financial year under review as against Rs. 6581.48 lakhs for the previous financial year, i.e. decrease by 16.65%. The profit after tax decreased to Rs. 2142.05 lakhs, as compared to Rs. 2821.51 lakhs for the previous financial year, i.e. decrease by 24.08%. Total comprehensive income for the year decreased to Rs. 2158.38 lakhs as compared to Rs. 2802.3 lakhs for the previous financial year, i.e. decrease by 22.98%. This was due to decrease in sales volumes of Car Seats to Maruti Suzuki India Limited mainly on account of discontinuance of certain models and also lesser sales of some existing models.

Gujarat Project

Maruti Suzuki India Limited (MSIL) is shifting manufacture of a certain model (YSD notchback model) to Suzuki Motor Gujarat Private Limited (SMG) in Gujarat. In line with MSIL shifting plan, the Company proposes to shift the manufacturing of seat of YSD Notchback (currently

being manufactured at our Manesar plant) to Gujarat. Accordingly, the Company has commenced the setting up of production facility at a location close to SMG facilities in Gujarat at an estimated project cost of Rs.38 crores in one or more phases, which is proposed to be funded mainly out of internal accruals.

The start of production at SMG Gujarat is scheduled for April 2020. Going forward, the setting up of this facility will lead to enhancement in the Company's production capacity from time to time in line with customer's requirements.

Total Productive Maintenance(TPM) ACTIVITY

We first started the TPM activity in the year of 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. BSL Gurugram plant was awarded with Excellence Award in 2006 by JIPM (Japan Institute of Plant Maintenance).

Currently, 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.

Gurugram Plant now has started activity for Second Level Award: Consistence in Excellence award and Manesar & Bhorakalan plant are going for Excellence Award in 2021.

We started with manager model machine implementation approach for all of our plants. This activity focuses on zero accidents, zero defects, improvement in productivity and no machine breakdowns. This activity has resulted in tremendous improvement in above said areas.

TPM kick-off event took place in February 2018 in the presence of esteemed guest from our valuable customer (MSIL), our key suppliers, CMD Mr. Rohit Relan & BSL Team. During the event, basic TPM policies and TPM objectives were formally announced to all employees by top management after taking oath on total commitment to TPM activities.

Since TPM kick-off, activities of 6 Key Pillars have started for all plants across all the areas. The Company is currently in the expansion phase to implement TPM activities at all manufacturing locations with emphasis on Kaizen, Autonomous Maintenance, Focused Improvements and other improvement project, activities and actions.

TRANSFER TO GENERAL RESERVE

During the F.Y 2018-19, 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 32nd Annual General Meeting, a dividend of 50% (Re 1/- per equity share) for the financial year ended 31.03.2019, which is same as of the last financial year. The dividend payment 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 Unclaimed dividend amounting to Rs.236,249/- lying with the Company for a period of seven years pertaining to the financial year ended on 31st March 2011.

- b. The members of the Company are also informed that as per the 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) 10,832 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 31st March, 2011, upto financial year 2017.

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 2018-2019 under review.

AWARDS AND RECOGNITION

During the year, your company has been awarded:

1. A certificate for fire safety at vendor conference of Maruti Suzuki India Limited in May, 2018
2. Shield for cost reduction by Suzuki Motorcycle India Pvt. Ltd. in April 2018

Your Company has been awarded with:

- a. A Certificate of Appreciation in recognition of the superior performance in the field of Comprehensive Excellence at vendor conference of Maruti Suzuki India Limited held in May, 2019.
- b. Performance award for spare delivery by Suzuki Motorcycle India Pvt. Ltd. In April 2019.

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 issued by SEBI, 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:

During the year under review, approval of shareholders (vide postal ballot, which concluded on March 27, 2019) was obtained for reappointment of Mr. Girish Narain Mehra, Mr. Prateep Kumar Lahiri and Mr. Ravindra Gupta as independent directors w.e.f. April 1, 2019. Further, Ms. Shyamla Khera and Mr. Arvind Varma were also reappointed as independent directors w.e.f. July 21, 2019 and October 21, 2019 respectively.

Mr. Kishan Nagin Parikh, Independent Director ceased to be Director of the company due to expiry of his tenure as Independent Director, after close of business hours on March 31, 2019.

In accordance with the Articles of Association of the Company and relevant provisions of the Companies Act, 2013, Ms. Sharda Relan (DIN: 00252181) is liable to retire

by rotation at the ensuing Annual General Meeting.

The Board recommends her 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 along with declaration for compliance with clause 16 of the 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 Secretarial 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 but there was an outstanding loan of Rs. 1660 Lakhs from Mr. Rohit Relan, Chairman and Managing Director of the Company which is exempted as deposit under Rule 2(c)(viii) of Companies(Acceptance of Deposit) Rules, 2014.

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

There are no significant and material orders passed by the Regulators, Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

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 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 annual report on CSR activities, composition of the CSR committee and other prescribed details are annexed as Annexure III. There is no amount which is lying unspent in respect of the financial year under review.

EXTRACT OF ANNUAL RETURN

Details forming part of the extract of Annual return as on 31st March, 2019 in Form MGT-9 pursuant to sub section (3) of Section 92 of Companies Act, 2013 read with Rule 12 of Companies (Management And Administration) Rules, is annexed hereto as Annexure IV and as per provisions of Section 134(3)(a) of the Companies Act, 2013 the Annual return for financial year 2017-18 is placed on website of the company i.e. <http://www.bharatseats.com/investors>.

MEETINGS OF THE BOARD

Five 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, Mr. Ravindra Gupta and Ms. Shyamla Khera*.

(* Ms. Shyamla Khera became member of the Audit Committee on 23rd April, 2019)

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, 2019 and of the Profit of the Company for the year ending 31st March, 2019;

- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis.
- (e) Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively.
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES

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

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

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

The Company has formulated a Nomination and Remuneration Policy which is available on the website of the company. The link of the same is <http://www.bharatseats.com/pdf/NRCPolicy.pdf>. 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

M/s S.R. Batliboi & Co. LLP Chartered Accountants, LLP, (ICAI Firm Registration No. 301003E/E300005) was appointed as Statutory Auditor at Annual General Meeting held on September 21, 2017 will hold 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, 2019 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 Auditor

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: 2018-19. The report of Secretarial Auditor for the financial year 2018-19 is annexed herewith marked as Annexure VII to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Pursuant Regulation 24(A) of SEBI (LODR) Regulations, 2015, the Company has obtained annual secretarial compliance report from Mr. R S Bhatia (C P No. 2514), Company Secretary in Practice and the same has been submitted to stock exchange within the prescribed time limits. The annual

secretarial compliance report does not contain any adverse remarks and qualifications.

(c) Cost Audit

The company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

SAFETY

Safety first is our motto. While the Act makes it mandatory for us to adopt benchmark practices, our values drive us towards this objective. We also believe it's an oath to ourselves.

With the regular guidance from the Safety Team of Maruti Suzuki India Limited, Bharat Seats Ltd is now among the leading companies which have made safety its culture.

Well trained staff, focus on best practices & aided with installation of state of the art Aerosol fire Detection & Suppression system across locations have worked at force multipliers in our Journey.

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

The review mechanism monitoring and mock drills happen periodically and are monitored at apex level. Last but not the least SHE (Safety, Health & Environment) training is regularly imparted to all the employees.

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. BSL is also accredited with ISO/IEC 17025:2005 "General Requirements for the competence of Testing & Calibration Laboratories".

Our Chairman and Managing Director, Mr. Rohit Relan's focus on preventive maintenance and effective mitigation of all the likely risks involved, has led to safe and healthy working environment for all employees thus helping them to perform 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: 2018-19:

- 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.

a. Sweat Equity

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

b. Bonus Shares

No Bonus Shares were issued during the year under review.

c. Issue of Shares with Differential Rights

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

d. Issue of Shares under Employee Stock Option Scheme

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

e. Issue of Shares through Private Placement- Nil

f. 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, MUFG Bank, Ltd., Yes Bank Ltd., HDFC Bank Ltd., IDBI Bank Ltd., various departments of Central Government and Government of Haryana. The directors convey their deep appreciation to each and every employee for her/his efficient service, commitment and collective team work.

Your support as shareholders is greatly valued.

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

For and on behalf of the Board
Bharat Seats Limited

(Rohit Relan)
Chairman and Managing Director

Place : New Delhi
Date : 23rd July, 2019

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 arm's 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		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		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		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		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		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		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		NIL	
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		NIL	
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		NIL	
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		NIL	
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		NIL	

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, 2019.

(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 motor cycle line pouring unit converted in pneumatic in place of electrical motor. Energy saving 19690 kwh / Year.

Manesar Plant

LED light provided in shop floor energy saving 13000 kwh / Year.

Bhorakalan Plant

VFD air compressor provided in place normal air compressor. Energy saving 22400 KWH / Year

(ii) the steps taken by the Company for utilising alternate sources of energy-NIL**(iii) the capital investment on energy conservation equipments-NIL****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 years. The R&D department has successfully launched full newly developed Seating System for new generation "Wagon R". Your R&D has introduced and implemented Seat Belt Reminders for safety and upcoming regulatory requirement. The similar systems "SBR" & implementing Child Seat anchorage (Iso-fix & Top Tether) system as add-on are launched for SUV vehicles "Brezza" and "Alto" in export market.

Seating system has been upgraded by R&D for flagship model of Suzuki Motorcycle India Pvt Limited highest selling 'Suzuki Access'. New Extrusion parts introduced for newly launched "Ertiga". Your R&D was awarded new Frame Assemblies and successfully launched in production for Suzuki Motorcycle's "Gixxer".

R&D is committed to enhance design capabilities. Virtual Product Test System (Computer Aided Engineering / CAE) is being used 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. The Proto Room has been equipped with high Lux table. This ensure proper visual / appearance checking.

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. We have upgraded & launched Floor Carpets for Swift Tour, Alto K10 and Alto Export. Recently discussion started with HTT, Thailand, to develop latest 5th generation Floor Carpets.

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. Your R&D has developed the latest new Robotic Weld cell for Breeza (Rear Frames). It has the capability to “detect presence” of all child parts before welding.

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

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:

Capital	Rs. 448.01 lakhs
Recurring	Rs. 341.28 lakhs
Total	Rs. 789.29 lakhs

Total R&D expenditure as a percentage of total turnover 0.87%

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.

Your company has developed best assembly line for New Wagon R with SCADA to ensure mistake proofing. First time, Seat Belt Reminder testing started "on line".

First time, we have introduced and started Frame Traceability for better welding control.

(ii) Benefits derived like Product improvement. Cost reduction, product development or import substitution. Trials for localisation of Extrusion wire on advance stages.

- Process based approach to manufacture has improved efficiency and quality of product.
- In-house deployment of technologies has reduced the cost of production.
- Flexible lines by using modular concept have been installed by your Company to launch new products in a very short lead time.
- New Test Lab established to enhance test capabilities. High End Test Machines got developed from France, Germany and within India.

(iii) Your R&D has designed Modular Berth for Indian Railways. We have registered our First Patent. The protos are made and tested. This is a unique design for quick replacement of defective pads / trims rather than replacing complete Berth. It is a light weight & saves significant time in replacing defective berths. We are under discussion with Indian Railways to take this design to next level.

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

DETAILS OF TECHNOLOGY IMPORTED	YEAR OF IMPORT	HAS TECHNOLOGY BEEN FULLY ABSORBED
(a)	(b)	(c)
- For continuous improvement - For manufacture of moulded carpets and seating system for four wheelers - For Manufacture of Two Wheeler Seat Assemblies - For Manufacture of extruded components for automobiles	2016-2017	Yes Carpet with Sound absorption technology – In Transition phase of absorption Yes Yes
- For continuous improvement - For manufacture of moulded carpets and seating system for four wheelers - For Manufacture of Two Wheeler Seat Assemblies - For Manufacture of extruded components for automobiles.	2017-2018	Yes Yes Yes Yes
- For continuous improvement - For manufacture of seating system for four wheelers - For manufacture of extruded components for automobiles	2018-2019	Yes Yes Yes

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of actual inflows and actual outflows, Foreign exchange outflow on account of import of Capital Goods and raw materials amounted to Rs.1437.68 lakhs (Rs. 1138.93 lakhs). Other expenditure in foreign currency relating to travelling, training and technical fees amounted to Rs.386.37 lakhs (Rs. 280.41 lakhs). Remittances in foreign currency on account of dividend amounted to Rs. 46.50 lakhs (Rs. 41.85 lakhs). (Figures in bracket pertain to last year)

CSR REPORT

1.	Abrief 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	<ol style="list-style-type: none"> 1. Mr. Ravindra Gupta, Chairman 2. Mr. G.N.Mehra 3. Mrs. Shyamla Khera 4. Mr.Arvind Varma*
3.	Average net profit of the company for last three financial years	Rs. 2338.68 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 46.77 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. 46.77 lakhs The Company has spent Rs.47 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	Relief Fund	State Government relief fund	Kerala	Rs. 11.00 lakhs	Rs. 11.00 lakhs	Rs. 11.00 lakhs	Direct Donation to Chief Minister Distress Relief Fund, Kerala
2	Education	Education	Delhi	Rs. 25 lakhs	Rs. 25 lakhs	Rs. 25 lakhs	Through Implementing Agency
3.	Health Care & Sanitation	Health Care & Sanitation	Delhi	Rs. 11.00 lakhs	Rs. 11.00 lakhs	Rs. 11.00 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.

*Mr Arvind Varma became member of the CSR Committee on 23rd April, 2019.

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, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L34300DL1986PLC023540
ii.	Registration Date	6 th 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	85%
2.	Carpet Sets for Automobiles	2930	2%
3.	Motorcycle seats	2930	4%
4.	Other sales & traded goods	2930	9%

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 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% 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	5049324	-	5049324	16.08	0.05
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	13670000	-	13670000	43.54	13657821	-	13657821	43.50	-0.04
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	18705458	-	18705458	59.57	18707145	-	18707145	59.58	0.01
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	23357145	-	23357145	74.39	0.01
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	51659	-	51659	0.16	0.03
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	16024	-	16024	0.05	-0.25
Sub-total(B)(1)	166350	-	166350	0.53	102683	-	102683	0.32	-0.22
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	896113 -	6010 -	902123 -	2.87 -	934680 -	4000 -	938680 -	02.99 -	0.12
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5272316	406139	5678455	18.08	4976234	338101	5314335	16.93	-1.15

(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1241517	-	1241517	3.95	1096185	-	1096185	3.49	-0.46
c) Others(Specify)	56097	-	56097	0.18	590972	-	590972	1.88	1.70
Sub-total(B)(2)	7466043	412149	7878192	25.09	7598071	342101	7940172	25.29	0.21
Total Public Shareholding (B)=(B)(1)+ (B)(2)	7632393	412149	8044542	25.62	7700754	342101	8042855	25.61	-0.01
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30987851	412149	31400000	100	31057899	342101	31400000	100	-

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year(as on 01.04.2018)			Shareholding at the end of the year(as on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	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	-	317000	1.01	-	0.02
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	-	353000	1.12	-	0.01
13.	Pranav Relan	410500	1.31	-	412750	1.31	-	-
14.	Ayush Relan	195800	0.62	-	196916	0.63	-	0.01
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	-	7821	0.02	-	-0.04
	Total	23355458	74.38		23357145	74.39		

iii. Change in Promoters' Shareholding (please specify, if there is 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	1687	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	As per details on the following page			
	At the End of the year			23357145	74.39

Change in Promoter shareholding

Sr. No.	Shareholder's name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason for change	Cumulative Shareholding during the year	
		At the beginning (1.4.18)	% of total Shares of the company				No. of Shares	% of Total shares of the company
1	ROHIT RELAN	310,500	0.99	01.04.2018				
				12.09.2018	6500	Transfer	317,000	1.01
				31.03.2019			317,000	1.01
2	RISHABH RELAN	349,000	1.11	01.04.2018				
				11.09.2018	4000	Transfer	353,000	1.12
				31.03.2019			353,000	1.12
3	AYUSH RELAN	195,800	0.62	01.04.2018				
				11.09.2018	884	Transfer	196,684	0.63
				12.09.2018	232	Transfer	196,916	0.63
				31.03.2019		Transfer	196,916	0.63
4.	PRANAV RELAN	410,500	1.31	01.04.2018				
				11.09.2018	2250	Transfer	412,750	1.31
				31.03.2019			412,750	1.31
5.	RELAN INDUSTRIAL FINANCE LIMITED	20,000	0.06	01.04.2018				
				02.08.2018	(12179)	Transfer	7,821	0.02
				31.03.2019			7,821	0.02

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 (1.4.18)	% of total Shares of the company				No. of Shares	% of Total shares of the company
1	OCTAL SECURITIES AND SERVICES PVT. LTD.	176,977	0.56	01.04.2018				
				31.03.2019			176,977	0.56
2	NILAM KUMARI KAPUR	129,917	0.41	01.04.2018				
				27.04.2018	2,000	Transfer	131,917	0.42
				08.06.2018	540	Transfer	132,457	0.42
				13.07.2018	936	Transfer	133,393	0.42
				27.07.2018	500	Transfer	133,893	0.43
				10.08.2018	2,000	Transfer	135,893	0.43
				31.08.2018	2,000	Transfer	137,893	0.44
				21.09.2018	1,000	Transfer	138,893	0.44
				28.09.2018	7,000	Transfer	145,893	0.46
				05.10.2018	4,000	Transfer	149,893	0.48
				12.10.2018	5,484	Transfer	155,377	0.49
				02.11.2018	1,121	Transfer	156,498	0.50
14.12.2018	3,000	Transfer	159,498	0.51				
25.01.2019	1,000	Transfer	160,498	0.51				



Sr. No.	Shareholder's name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason for change	Cumulative Shareholding during the year	
		At the beginning (1.4.18)	% of total Shares of the company				No. of Shares	% of Total shares of the company
				01.02.2019	2,500	Transfer	162,998	0.52
				31.03.2019			162,998	0.52
3	SUNITA SANTOSH GOENKA	166,285	0.53	01.04.2018				
				03.8.2018	(7,104)	Transfer	159,181	0.51
				17.08.2018	(343)	Transfer	158,838	0.51
				18.01.2019	(3,665)	Transfer	155,173	0.49
				25.01.2019	(981)	Transfer	154,192	0.49
				31.03.2019			154,192	0.49
4	NILAM KUMARI KAPUR	152,328	0.49	01.04.2018				
				31.03.2019			152,328	0.49
5	SUPRIYA PUNIT AGARWAL	146,941	0.47	01.04.2018				
				11.05.2018	1,235	Transfer	148,176	0.47
				17.08.2018	(572)	Transfer	147,604	0.47
				21.12.2018	2,000	Transfer	149,604	0.48
				11.01.2019	(2,065)	Transfer	147,539	0.47
				18.01.2019	(8,374)	Transfer	139,165	0.44
				31.03.2019			139,165	0.44
6	OCTAL REALCON PVT. LTD.	100,000	0.32	01.04.2018				
				31.3.2018			100,000	0.32
7	M L BHANOT	98,578	0.31	01.04.2018				
				31.3.2019			98,578	0.31
8	SANTOSH SITARAM GOENKA	135,275	0.43	01.04.2018				
				25.05.2018	1,000	Transfer	136,275	0.43
				17.08.2018	(2,200)	Transfer	134,075	0.43
				18.09.2018	(8,825)	Transfer	125,250	0.40
				26.10.2018	(5,975)	Transfer	119,275	0.38
				02.11.2018	(16,932)	Transfer	102,343	0.33
				09.11.2018	(2,215)	Transfer	100,128	0.32
				16.11.2018	(911)	Transfer	99,217	0.32
				25.01.2019	(4,755)	Transfer	94,462	0.30
				31.03.2019			94,462	0.30
9	DILIP KUMAR PATNI	80,000	0.25	01.04.2018				
				31.03.2019			80,000	0.25
10	JAYESH JAYANTILAL MEHTA	74,409	00.24	01.04.2018				
				31.3.2019			74,409	00.24
11	VIJAY AGGRAWAL	80,024	0.25	01.04.2018				
				02.11.2018	(79,774)	Transfer	250	0.00
				31.3.2019			250	0.00

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year : 1.4.2018		Shareholding at the end of the year : 31.3.2019	
		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	317000	1.01
3	MR. AJAY RELAN	317108	1.01	317108	1.01
4	MR. KISHAN N.PARIKH	8000	0.02	8000	0.02
5	MR.SANJEEV KUMAR	2000	0.01	5200	0.02

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	861.48	1,674.60	-	2,536.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.38	-	-	6.38
Total (i+ii+iii)	867.86	1,674.60	-	2,542.46
Change in Indebtedness during the financial Year				
- Addition	548.06	-	-	548.06
- Reduction	(220.97)	(14.60)	-	(235.57)
Net Change	327.09	(14.60)	-	312.49
Indebtedness at the end of the financial year				
i) Principal Amount	1,189.88	1,660.00	-	2,849.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.07	-	-	5.07
Total (i+ii+iii)	1,194.95	1,660.00	-	2,854.95

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

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of Chairman and Managing Director	Total Amount
		Mr. Rohit Relan	
	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	120.00	120.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21.00	21.00
	(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)	16.03	16.03
	Total(A)	157.03	157.03
	Ceiling as per the Act	within the limits	

B. Remuneration to other directors:

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Mehra	Mr. Lahiri	Mr. Gupta	Mrs. Khera	Mr. Varma	Mr. Parikh	
1	Independent Directors							
	· Fee for attending board committee meetings	7.20	6.80	5.60	4.40	2.80	0.40	27.20
	· Commission	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-
	Total(1)	7.20	6.80	5.60	4.40	2.80	0.40	27.20
		Mrs. Sharda Relan	Mr. CV Raman	Mr. Ajay Relan				
2	<u>Other Non-Executive Directors</u>							
	· Fee for attending board/ committee meetings	0.80	1.60	1.20				3.60
	· Commission	-	-	-				
	· Others, please specify	-	-	-				
	Total(2)	0.80	1.60	1.20				3.60
	Total(B)=(1+2)	8.00	8.40	6.80	4.40	2.80	0.40	30.80
	Total Managerial Remuneration	NIL						
	Overall Ceiling as per the Act	No remuneration, only sitting fee						

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	16.21	30.44	46.65
	(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, (Contribution to PF)	2.71	2.76	5.47
	Total	18.92	33.20	52.12

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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: 2018-2019

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. 157.03 Lakhs	B.Com(hons.), F.C.A., Owner/ President Management Programme from Harvard Business School	6-3-1986	40 Years	64 years	M/S S.P. Marwah & Co., Chartered Accountants	1.01%
Mr. T J Chacko	Sr. VP	Rs. 66.65 lakhs	B.E (Mech)	18-11-1997	47 Years	74 Years	VXL India Limited	-
Mr. Ashwani Aggarwal	Business Head-Business development	Rs. 112.01 lakhs	B. Tech (Mechanical)	01-12-2017	36 Years	60 Years	Brose India Automotive Systems Private Limited	-
Mr. Rajat Bhandari	Sr. VP	Rs. 63.00 lakhs	FCA & ACS	01-10-2008	31 Years	55 Years	Federal Mogul Goetze India Ltd.	0.01%
Mr. Hari Das Nair	V.P.-HR	Rs. 45.10 lakhs	Master in Personal Management & Industrial relations	16-01-2017	22 Years	55 years	MICR Electronics Ltd.	-
Ms. Padma Panikkar	AVP	Rs. 46.41 lakhs	Graduate	01-05-1987	42 Years	65 Years	Oberoi Hotel	-
Mr. M Shariq Qureshi	VP-Operations	Rs. 41.11 lakhs	PGPM Dual specialization in Operation research & international Business	22-03-2010	29 Years	53 Years	Rico Auto Industries Ltd.	-
Mr. Rishabh Relan	COO	Rs. 46.40 lakhs	BSc in Industrial Engineering & Diploma-6 Sigma in lean manufacturing	16-08-2012	7 Years	28 Years	-	1.12%
Mr. Sanjeev Kumar	CFO	Rs. 34.53 lakhs	Chartered Accountant	02-11-1987	33 Years	56 Years	J.P.Jain & Co., Chartered Accountants	0.02%
Mr. Sanjeev Kawatra	CGM-Marketing	Rs. 28.88 lakhs	Executive Development prog. In Global Business Strategy	01-05-2008	22 Years	46 Years	Mitsubishi Heavy Industry	-

EMPLOYED FOR PART OF FINANCIAL YEAR : 2018-2019 :

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. Ajay Raina	VP-Corporate Strategy & Business Planning	Rs. 38.41 lakhs	Mechanical Engineer	03-10-2018	24 Years	50 years	Adient India Pvt Ltd.	-
Mr. Vinay Mittal	DGM - R&D	Rs. 22.59 lakhs	B.E.(Mech)	02-07-2018	23 Years	45 Years	Badve Engineering Ltd.	-

NOTES:

1. Remuneration includes perquisites and company's contribution to provident fund
2. The nature of employment of Mr. Rohit Relan is contractual. For the rest of employees, it is other than contractual.
3. Mr. Rohit Relan is related to Mrs Sharda Relan, director and Mr. Ajay Relan, director of the company. 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,

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	37.19

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	14.26%
ii)	Mr. Sanjeev Kumar, Chief Financial Officer	12.20%
iii)	Ms. Ritu Bakshi, Company Secretary	14.49%

3. The percentage increase in the median remuneration of employees in the financial year is 36.65%
4. Total number of permanent employees on the rolls of company as on March 31, 2019 is 460.
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 2018-19	14.26%	10.56%

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019
[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,
1, Nelson Mandela Road,
Vasant Kunj, New Delhi

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Seats Limited (CIN No. L34300DL1986PLC023540)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, 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, 2019 ("audit period") 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, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings. Further, neither there were any transaction of Direct Investment, External Commercial Borrowings nor any transaction of Overseas Direct Investment which were required to be reported during the financial year.
 - v. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
 - g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 (herein after referred as SEBI LODR);
 - j) Securities and Exchange Board of India (Depository and Participants) Regulations, 2015;
- * No event took place under these regulations during the audit period.



- 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 Secretarial Standards issued by The Institute of Company Secretaries of India.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2019 complied with the aforesaid laws.

Based on the information received and records made available I further report that;

- i. 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 Act and the SEBI LODR Regulations;
- ii. Adequate notice(s) were given to all directors regarding holdings of 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;
- iii. 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.
- iv. 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.
- v. 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.
- vi. I further report that The Company has made a contribution of Rs. 11 Lakh towards Chief Minister Relief Fund, Kerala, as a part of CSR spending.

I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Except elsewhere mentioned in this report, in my opinion and to the best of my information and according to explanations given to me, i believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

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

Place : Delhi
Date : 22nd July, 2019

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.

To,
The Members,
Bharat Seats Limited,
1, Nelson Mandela Road,
Vasant Kunj, New Delhi
CIN No: 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. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Whether required, we 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. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Place : New Delhi
Date : 22nd July, 2019

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Indian Auto industry became the 4th largest in the world and poised to be third largest automotive market by volume in the world by 2020. The industry accounts for about 7.1 per cent of the country's Gross Domestic Product (GDP). Indian Auto component Industry also plays an important role by contributing 2.3% in Indian GDP, expected to reach its turn over USD 200bn by 2025. It is a prominent exporter and has strong export growth expectations in the near future. Overall automobile exports grew 14.5 per cent during April-March 2018-19. The auto industry is also a major contributor to employment.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Government of India has changed focus on environment friendly vehicles. The Government of India has come up with The National Electric Mobility Mission Plan 2020 (NEMMP). This initiative has been taken up to encourage reliable, affordable and efficient xEVs (hybrid and electric vehicles) that meet consumer performance and price expectations through government-industry collaboration. Under NEMMP India to emerge as a leader in the two-wheeler and four-wheeler xEV market in the world by 2020

Department of Heavy Industries formulated a draft National Automotive Policy, for holistic development of automobile sector in India. Apart from propelling the sector to be among the top three in nations in the world in engineering, manufacturing and export of automotive vehicles and components, the policy also envisages to scale-up exports to 35-40% of the overall output and make India one of the major automotive export hubs in the world.

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 2018-19 with its highest ever sales, registering a growth of 4.7%, with highest ever domestic sales.

BSL is dedicated to a sole customer i.e. Maruti Suzuki India Limited (MSIL) and is engaged in developing complete seating systems for passenger Cars as well as Utility Vehicles, Moulded Floor Carpets, Extrusion Components for vehicle roof and windshield installation for MSIL.

BSL also develops and manufactures complete seat assembly and welded frames for two wheelers for Suzuki Motor Cycle India Pvt. Ltd.

During the year, sales of Car seats to MSIL declined by about 9% mainly on account of discontinuance of certain models and also lesser sales of some existing models. Accordingly, the profit before and after tax recorded a decline.

Despite the opportunities, the threat revolves around are in the 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. BSL is also OHSAS certified Company.

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 differentiation through Innovation. The Company is actively exploring all new business opportunities in terms of product diversification.

FINANCIAL RISK

The Company is exposed to the risks associated with fluctuations in foreign currency rates and imports. 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 2019 is 460.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, i.e. CHANGE OF 25% OR MORE

Not applicable, as the changes in key financial ratios of financial year 2018-19, as compared to immediately previous financial year are less than 25%.

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH DETAILED EXPLANATION

There was a decline in return on Net Worth as compared to immediate previous financial year by 36.49%, mainly on account of decline of sales of Car seats to MSIL by about 9% as a result of discontinuance of certain models and also lesser sales of some existing models. Accordingly, the profit before and after tax recorded a decline.

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, 2019)

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, 2019, the Board of Directors comprised of eleven Directors, with an Executive Director as Chairman.

There was of one executive Director of the Company, the Chairman and Managing Director. The remaining ten Directors were non-executive Directors, out of which six Directors were independent. There are two women non-executive Directors, one is Independent

Woman Director and another belongs to promoters category. The number of Independent Directors was 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.

All directors, other than Independent directors and Chairman and Managing Director, are liable to retire by rotation.

(b) Number of Board Meetings and dates on which held

During 2018-19, the Board of Directors met five times on 19th April, 2018, 10th August, 2018, 12th November, 2018, 14th February, 2019 and 25th March, 2019. The maximum gap between two Board meetings was less than one hundred twenty days.

(c) Attendance of Directors at the meeting of the board of directors and the last Annual General meeting

Attendance record of the Directors at the board meetings and at the last annual general meeting is as under:

NAME OF DIRECTOR	AGM held on 25 th September, 2018	Date of the Board Meetings held during the year					NO. OF BOARD MEETINGS HELD	NO. OF BOARD MEETINGS ATTENDED	% of Attendance
		19/04/18	10/08/18	12/11/18	14/02/19	25/3/19			
MR. ROHIT RELAN	YES	√	√	√	√	√	5	5	100%
MR TOSHIYA MIKI	YES	√	√			√	5	3	60%
MRS SHARDA RELAN	NO	√		√			5	2	40%
MR. AJAY RELAN	NO	√		√	√		5	3	60%
MR. C.V. RAMAN	YES	√		√	√	√	5	4	80%
MR. G.N. MEHRA	YES	√	√	√	√	√	5	5	100%
MR. P.K. LAHIRI	YES	√	√	√	√	√	5	5	100%
MR. RAVINDRA GUPTA	YES	√	√	√	√	√	5	5	100%
MRS. SHYAMLA KHERA	YES	√	√	√	√	√	5	5	100%
MR. ARVIND VARMA	YES		√	√	√	√	5	4	80%
MR. KISHAN N.PARIKH*	NO			√			5	1	20%

*Mr.Kishan N.Parikh ceased to be director after close of working hours on March 31, 2019.

Video Conferencing facilities were provided to the Directors to facilitate them to participate in the meetings.

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

(d) Details of Other Directorships/ Committee Memberships

All the Directors have made necessary disclosures regarding their directorships and other interests as required under section 184 of the Companies Act, 2013 and on the Committee positions held by them in other Companies. None of the directors hold directorship in more than 20 Indian Companies with not more than 10 public limited companies and none of the directors hold directorships in more than 8 listed entities. None of the Independent directors serve as Independent director in more than seven listed entities. Further neither of director serve as member of more than 10 committees nor do any of them serve as Chairperson of more than five Committees across all the public limited companies in which they are directors.

Details of Directors, category of Directors, No. of other Directorship/ Committee membership held by them as on 31st March, 2019 are given below:

SR. NO.	NAME OF THE DIRECTORS (DIN)	DESIGNATION	CATEGORY	DETAILS OF DIRECTORSHIP OF OTHER LISTED ENTITIES AND CATEGORY OF DIRECTORSHIP		NO. OF OUTSIDE DIRECTORSHIP		NUMBER OF OUTSIDE COMMITTEE POSITIONS HELD		NO. OF SHARES HELD IN BSL	
						PUBLIC	PRIVATE	AS MEMBER	AS CHAIRMAN		
1	MR.ROHIT RELAN DIN:00257572	CHAIRMAN AND MANAGING DIRECTOR	PROMOTER/ EXECUTIVE/ NON- INDEPENDENT	Sharda Motor Industries Limited	Non-executive Non-Independent	2	5	-	-	3,17,000 Equity shares	
2	MR TOSHIYA MIKI DIN: 07505339	DIRECTOR	NOMINEE – SUZUKI MOTOR CORPORATION/ NON-EXECUTIVE/ NON-INDEPENDENT	JTEKT India Ltd.	Non-executive Non-Independent	2	-	-	-	-	
3	MRS SHARDA RELAN DIN: 00252181	DIRECTOR	PROMOTER/ NON-EXECUTIVE/ NON-INDEPENDENT	Sharda Motor Industries Limited	Executive Non-Independent	3	1	2	-	12,51,350 Equity shares	
4	MR AJAY RELAN DIN: 00257584	DIRECTOR	PROMOTER/ NON-EXECUTIVE/ NON-INDEPENDENT	Sharda Motor Industries Limited	Executive Non-Independent	3	4	-	-	3,17,108 Equity shares	
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	Subros Ltd.	Non-executive Independent	4	-	1	4	-	
				Amrit Corp Ltd.	Non-executive Independent						
				Action Construction Equipment Ltd.	Non-executive Independent						
7	MR P.K. LAHIRI DIN: 00039653	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-		1	-	-	-	-	
8	MR RAVINDRA GUPTA DIN: 01521168	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-		-	-	-	-	-	
9	MRS SHYAMLA KHERA DIN: 06929439	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-		-	-	-	-	-	
10	MR ARVIND VARMA DIN: 02225281	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	-		-	-	-	-	-	
11	MR KISHAN N.PARIKH DIN: 00453209	DIRECTOR	NON-EXECUTIVE/ INDEPENDENT	Sharda Motor Industries Ltd.	Non-executive Independent	3	4	2	1	8000 Equity shares	
				Pebco MotorsLtd.	Executive, Non-independent						

NOTES:

The Committees considered for the purpose are those prescribed under Regulation 26(1)(b) of the LODR Regulations 2015.

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.

Succession Plan

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management.

(e) Relationship between directors inter-se

There is no relationship between the directors except that:

- (i) Mr. Rohit Relan, Ms. Sharda Relan and Mr. Ajay Relan are relatives;
- (ii) 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) Number of Shares and convertible instruments held by Non-Executive Directors

S. No	Name of Non Executive Director	No. of Shares held as on 31.03.19
1	Mr. Ajay Relan	317108
2	Mrs Sharda Relan	1251350
3	Mr. Kishan N.Parikh	8000

There are no convertible instruments issued by the Company.

(g) 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 Programmes for Independent Directors.pdf).

(h) Key Board Skills, Expertise and Competence

The Board comprises qualified members who bring in the required skills, competence and expertise that

allows them to make effective contribution to the Board and its committees.

In view of the objectives and activities of our Business, the Company requires skills/ expertise/ competencies in the areas of Finance, Regulatory, Strategy, Business Leadership, Automotive Technology, Human Resources, risk and Governance.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

(i) Independent Directors

The term Independent Director has been defined under Section 149 of the Companies Act, 2013 and rules framed there under and Regulation 16 of the Listing Regulations.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of the LODR Regulations and section 149(6) of the Companies Act, 2013 and rules framed there under and are independent of the management as required under Regulation 25 of the LODR Regulations.

The Company has complied with the provisions with respect to appointment and term of appointment of Independent Directors which are consistent with the Act and Listing Regulations. The Independent Directors on the Board of the Company are given formal appointment letter *inter alia* containing the terms of appointment, role, duties and responsibilities etc. The terms and conditions of appointment are disclosed on the website at <https://www.bharatseats.com/investors>. None of the Independent Directors have resigned before the expiry of their respective tenures during the year under review.

Mr. Kishan N. Parikh, Independent Director, ceased to be Director after the close of working hours on 31st March, 2019 on end of his tenure.

During the year, a separate meeting of the Independent Directors was held on March 25, 2019 without the attendance of Non Independent Directors and other members of the Management. All the Independent Directors except Mr. Kishan N. Parikh attended the said meeting. At the said meeting, the Independent Directors reviewed the performance of non-independent directors, the Board as a whole and the Chairman of the Company. They also assessed the quality, quantity, timeliness and adequacy of information between the Company's management and the Board.

(j) 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.

(k) 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 required information including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the LODR Regulations is made available to the Board of Directors.

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 respective Committee members and thereafter tabled for noting purpose at the subsequent Board Meeting, in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India.

COMMITTEES OF THE BOARD:

The Board Committees are set up by the Board and play a crucial role in the governance structure of the Company and deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board and the Chairpersons

of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. The Minutes of the meetings of all Committees of the Board are placed before the Board for noting purpose.

Bharat Seats Ltd. has four Committees of the Board:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders relationship Committee and
- 4) Corporate Social Responsibility Committee

The composition of the various Committees of the Board of Directors is available on the website at: <https://www.bharatseats.com/Investors/>

3. AUDIT COMMITTEE

The Company has a qualified Audit Committee and Mr. G. N. Mehra, Chairman of the Audit Committee is Non Executive Independent Director of the Board who has relevant accounting and financial expertise. The composition and terms of reference of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and with Regulation 18(1) of the LODR Regulations. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/ other management information, adequacy of provisions for liabilities, and whether the audit tests are appropriate and scientifically carried out and that they are aligned with the realities of the business, adequacy of disclosures, compliance with all relevant statutes and other facets of Company's operation that are of vital concern to the Company. In particular, the role of Audit Committee includes the following:

(a) Functions of the Audit Committee

- i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of



- clause (c) of sub- section 3 of section 134 of the Companies Act, 2013;.
- b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report.
- v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - viii) Approval or any subsequent modification of transactions of the company with related parties;
 - ix) Valuation of undertakings or assets of the company, wherever it is necessary;
 - x) Evaluation of internal financial controls and risk management systems;
 - xi) 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).

- vii) To frame and review the policies in relation to the implementation of the Bharat Seats Code of Conduct for Prevention of Insider Trading and to supervise implementation of the same.

The meetings of Audit Committee were held on 19th April, 2018, 10th August, 2018, 12th November, 2018, 14th February, 2019 and 25th March, 2019. 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

After close of the financial year, in addition to the existing members, Ms. Shyamla Khara, a non-executive Independent Director was inducted as a member of the Audit Committee by the Board in its meeting held on April 23, 2019.

The meetings of the Audit Committee are also attended by the Chairman and Managing Director, Chief Financial Officer, Sr. Vice President, Statutory Auditors and Internal Auditors as Special Invitees as and when required. The Chairman of the Audit Committee attended the last Annual General Meeting to answer the shareholders' queries. The Company Secretary acts as the Secretary of the Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The meeting of Nomination and Remuneration Committee was held on 14th February, 2019 and 25th March, 2019. 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	2	2
2	Mr. G. N Mehra	Non-Executive /Independent Director	Member	2	2
3	Mr. Ravindra Gupta	Non-Executive /Independent Director	Member	2	2
4	Mr. Arvind Varma	Non-Executive /Independent Director	Member	2	2

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

The Committee's constitution and terms of reference are in compliance with the provisions of section 178 of the Companies Act and Regulation 19 read with Part D of Schedule II of the SEBI (LODR), Regulations, 2015, 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 SEBI (LODR), Regulations, 2015 besides other terms as may be referred by the Board of Directors. The policy is available on the website at <https://www.bharatseats.com/investors/>

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:

Rs. in lakhs

Name	Position	Gross Remuneration		Sitting Fee
Mr. Rohit Relan	Chairman and Managing Director	Salary	120.00	
		Allowances and Perquisites	21.00	
		Contribution to P.F.	16.03	
		Total	157.03	-
*Mr. C.V. Raman	Director		-	1.60
Ms Sharda Relan	Director		-	0.80
Mr. Ajay Relan	Director		-	1.20
Mr. G.N.Mehra	Director		-	7.20
Mr. P. K. Lahiri	Director		-	6.80
Ms. Shyamla Khera	Director		-	4.40
Mr. Ravindra Gupta	Director		-	5.60
Mr. Kishan N. Parikh	Director		-	0.40
Mr. Arvind Varma	Director		-	2.80

*Paid to Maruti Suzuki India Limited, of which Mr. C. V. Raman is a nominee Director.

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 :-

- Overall review of Transfer of shares.
- Issue of duplicate share certificate.
- Review of shares dematerialized and all other related matters.
- Monitors expeditious redressal of shareholders' grievances.
- Review of measures for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and share transfer agent and overseeing their performance.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend/ annual reports by the shareholders of the Company
- And such other terms of reference as may be prescribed by law from time to time.

The meetings were held on 19th April, 2018, 10th August, 2018, 12th November, 2018 and 14th February, 2019. 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

After close of the financial year, in addition to the existing members, Mr.Arvind Varma was inducted as a member of the Stakeholders' relationship committee by the Board in its meeting held on 23rd April, 2019.

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

S. No.		Received	Resolved	Pending
	Complaints	NIL	NIL	NIL

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 2019 except those cases where there were discrepancies which were timely pointed out to the concerned stakeholders.

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 14th February, 2019

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

After close of the financial year, in addition to the existing members, Mr.Arvind Varma was inducted as a member of the CSR committee by the Board in its meeting held on 23rd April, 2019.

7. GENERAL BODY MEETINGS

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

Year	Date	Time	Venue	Whether Special Resolution passed
2018	25.09.2018	11 a.m.	Air Force Auditorium, New Delhi	No
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

8. POSTAL BALLOT DURING THE YEAR

The Company successfully completed the process of obtaining approval of the members on the following special resolutions through Postal Ballot during the year 2018-19, the result of which was announced on 28th March, 2019 :

- Re-appointment and continuation of the appointment of Mr. Girish Narain Mehra as a Non- executive Independent Director of the Company
- Re-appointment and continuation of the appointment of Mr. Prateep Kumar Lahiri as a Non-executive Independent Director of the Company
- Re-appointment and continuation of appointment of Mr. Ravindra Gupta as a Non- executive Independent Director of the Company
- Continuation of the appointment and re-appointment Mr. Arvind Varma as a Non-executive independent Director of the Company
- Continuation of the appointment of Ms. Sharda Relan as a Non-executive Director of the Company
- Re-appointment of Ms. Shyamla Khera as a Non-executive Independent Director of the Company

Voting Pattern and Procedure for Postal Ballot:

- The Board of Directors of the Company vide its resolution dated 14th February, 2019 has appointed

Mr. R.S.Bhatia, Company Secretary in Practice, as the Scrutinizer for conducting the Postal Ballot process.

- ii) The Company had completed the dispatch of Postal Ballot Notice dt. 14.02.2019 together with the explanatory statement on 21st February, 2019 along with the forms and postage stamps affixed reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/ list of beneficiaries as on 15th February, 2019.
- iii) The voting under the postal ballot was kept open from 26th February, 2019 to 27th March, 2019 (either in physical mode or through electronic mode)
- iv) According to Scrutinizers Report, particulars of the Postal Ballot Forms received from the members were entered in the Register separately maintained for the purpose.
- v) The Postal Ballot Forms were kept in the safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms.
- vi) All postal ballot forms received upto 5 p.m. on 27th March, 2019, the last date and time fixed by the Company for receipt of the forms had been considered for his scrutiny.
- vii) On 28th March, 2019, Mr.Rohit Relan, Chairman and Managing Director announced the results of the Postal Ballot as per the Scrutinizer's Report, as follows:

S. No.	Particulars	1.Special Resolution: Re-appointment and continuation of the appointment of Mr. Girish Narain Mehra as a Non- executive Independent Director of the Company	2.Special Resolution: Re-appointment and continuation of the appointment of Mr. Prateep Kumar Lahiri as a Non-executive Independent Director of the Company	3.Special Resolution: Re-appointment and continuation of appointment of Mr. Ravindra Gupta as a Non- executive Independent Director of the Company	4.Special Resolution: Continuation of the appointment and re-appointment Mr. Arvind Varma as a Non-executive independent Director of the Company	5.Special Resolution: Continuation of the appointment of Ms. Sharda Relan as a Non-executive Director of the Company	6. Special Resolution: Re-appointment of Ms.Shyamla Khera as a Non-executive Independent Director of the Company
1	Number of valid Postal Ballot Forms/ e-voting details received	96	96	96	96	96	96
2	Number of Invalid Postal Ballot Forms received	2	2	2	2	2	2
3	Number of shares held(Paid up capital)	3,14,00,000	3,14,00,000	3,14,00,000	3,14,00,000	3,14,00,000	3,14,00,000
4	No. of votes polled	23982042	23982042	23982042	23982042	23982042	23982042
5	% of votes polled on outstanding shares(4/3*100)	76.38%	76.38%	76.38%	76.38%	76.38%	76.38%
6	No. of votes in favour	23979541	23979541	23979541	23979541	23979541	23979541
7	No. of votes against	2501	2501	2501	2501	2501	2501
8	% of votes in favour on votes polled (6/4*100)	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
9	% of votes against on votes polled(7/4*100)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

9. 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 LODR regulations 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 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 *inter alia* Audited Annual Accounts, Directors' Report, Auditors' Report and other important information forming part of Annual Report is displayed on the Company's website.
- The Annual report is forwarded to all members in electronic mode, whose email IDs are registered with Depositories and physical copies are sent in case email ID is not available.
- NECS intimation of dividend is forwarded to all members in electronic mode, whose email IDs are registered with Depositories and physical copies are sent in case email ID is not available.

10. GENERAL SHAREHOLDERS INFORMATION

(a) Appointment/ Re-appointment of Directors

As required, a brief profile and other particulars of the Directors seeking re-appointment are given in the Notice of the 32nd Annual General Meeting and forms part of the Corporate Governance Report.

(b) Annual General Meeting

Number of Annual General Meeting	32 nd Annual General Meeting
Date and Time	19 th September, 2019 at 11:00 a.m.
Venue	Air Force Auditorium, Subroto Park, New Delhi -110010

(c) Financial Calendar : 2019-20, 1st April, 2019 to 31st March, 2020

First Quarter Ended June, 2019	Before 2 nd week of August, 2019
Second Quarter Ended September, 2019	Before 2 nd week of November, 2019
Third Quarter Ended December, 2019	Before 2 nd week of February, 2020
Year ended March, 2020	April, 2020

(d) Book Closure Dates

From 13th September, 2019 to 19th September, 2019 (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 2019, the Equity Shares of the company are listed on:

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

Listing fee for the financial year: 2018-2019 and 2019-2020 has been paid to the stock exchange. The Equity shares of the Company have not been suspended from trading.

(g) Stock Code

Stock Code is 523229.

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 2018-2019 based upon BSE Price data is given below:

MONTH	BSE – HIGH	BSE - LOW	VOLUMES	BSE SENSEX
APRIL, 2018	234.85	173	677199	35,160.36
MAY, 2018	224.95	179.2	322728	35,322.38
JUNE, 2018	195.9	159.25	269567	35,423.48
JULY, 2018	175.95	149.1	171013	37,606.58
AUGUST, 2018	209.9	160.9	516473	38,645.07
SEPTEMBER, 2018	179.9	140	294497	36,227.14



OCTOBER, 2018	155	110.45	268263	34,442.05
NOVEMBER, 2018	132	104.2	291085	36,194.30
DECEMBER, 2018	116.8	93.1	284633	36,068.33
JANUARY, 2019	110	83.7	198473	36,256.69
FEBRUARY, 2019	93.5	72	230382	35,867.44
MARCH, 2019	105	86.4	339735	38,672.91

(i) Registrar and Share Transfer Agents:

(For Demat Shares and for Physical Shares) 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 31.03.2019:

S. NO.	NO. OF SHARES HELD	NO. OF HOLDERS	PERCENTAGE OF HOLDERS(%)	HOLDING	PERCENTAGE OF HOLDING (%)
1	UPTO 500	11541	84.04	1184199	3.77
2	501 TO 1000	1179	8.58	1040154	3.31
3	1001 TO 5000	811	5.90	1883764	6.00
4	5001 TO 10000	100	0.73	763064	2.43
5	10001 TO 20000	41	0.30	607069	1.93
6	20001 TO 30000	19	0.14	491689	1.57
7	30001 TO 40000	3	0.02	102113	0.33
8	40001 TO 50000	3	0.02	123722	0.39
9	50001 TO 100000	16	0.12	1134608	3.61
10	100001 TO 500000	16	0.12	4518268	14.39
11	500001 and ABOVE	4	0.03	19551350	62.27
	TOTAL	13733	100.00	31400000	100.00

(l) Shareholding pattern as on 31.03.2019:

S. No.	Category	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
1.	Promoters and Associate Companies :				
a.	Indian	20	0.15	18707145	59.58
b.	Foreign	1		4650000	14.81
2.	Non-Promoter Shareholding:				
a.	Indian Companies	189	1.39	1006363	3.20
b.	Mutual Funds	1		1000	
c.	Financial Institutions	1		34000	0.11
d.	NRIs	213	1.56	302776	0.96

e.	Trust	3		57492	0.19
f.	Public	13305	96.90	6641224	21.15
	TOTAL	13733	100.00	31400000	100.00%

(m) Dematerialisation of Shares and liquidity

98.91% of the Equity Shares of the Company have been dematerialized as at 31st March, 2019. 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).

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

(o) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of LODR Regulations: The Company did not raise any funds through preferential allotment or qualified institutions placement

(p) Commodity price risk or foreign exchange risk and hedging activities: The Company is exposed to capital risk, market risk, credit risk and liquidity risk. The details of risks, including foreign exchange exposures as on March 31, 2019 are disclosed in Notes to the Financial Statements.

(q) 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, 2018		No. of shareholders who approached for transfer from Suspense Account	No. of shareholders to whom shares were transferred from Suspense Account	Balance As on 31 st March, 2019	
	No. of records	No. of shares			No. of records	No. of shares
Equity Shares	79	100020	3	4000	76	96020

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

(r) Plant Locations:

1) Plant – I

Joint Venture Plot No.1,
Maruti Complex, Gurugram - 122015 (Haryana) Ph : +91- 9643339870-74
Fax : 0124 - 2341188
E-Mail : seats@bharatseats.net, investor_relations@bharatseats.net
Website : www.bharatseats.com

2) Plant- II

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

(s) Registered Office:

Bharat Seats Limited
1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070 Ph : 09810808631
Email: seats@bharatseats.net

(t) Investor Relation Cell address for Correspondence

Investors/ shareholders correspondence may be addressed either to the Company's Secretarial Department, contact person: Ms.Ritu Bakshi, Company Secretary and Compliance Officer, functioning at the works- Plant -1 of the Company at Gurugram or to its Registrar and Transfer Agent: Alankit Assignments Ltd., contact person: Mr.J.K.Singla, Sr.Manager at 3E/7, Alankit Heights, Jhandewalan Extension New Delhi – 110055.

(u) OTHER DISCLOSURES**Related Party Transactions**

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 and Regulation 23 of the LODR Regulations, are disclosed in Note No.38(d) 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 in the ordinary course of business and are negotiated on arm's length basis and are intended to further the Company's interests. Further, there were no materially significant related party transactions that were entered during the year that have a potential conflict with the interests of your Company at large. A confirmation as to the compliance of Related part transactions as per LODR Regulations is sent to Stock exchange along with quarterly compliance report of Corporate Governance.

Penalties/ Strictures

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 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.

Disclosure Pursuant To Clause (2a) Of Schedule V (Annual Report) Of SEBI (LODR) (Amendment) Regulations, 2018 of transactions of the Company with any person or entity belonging to the Promoter/ Promoter group which hold(s) 10% or more shareholding in the listed entity

Enclosed as annexure.

(v) 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'.

(w) 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 has been 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 this Annual Report of the Company.

(x) 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/ persons who could have access to the Unpublished Price Sensitive Information are governed by the said Code.

(y) PREVENTION OF SEXUAL HARASSMENT

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Committee has been constituted in accordance with the provisions of the POSH Act to redress complaints received regarding sexual harassment and all the provisions regarding the constitution are complied with.

During the year under review, the Company has not received any complaint on sexual harassment.

No. of Complaints filed during the financial year: Nil

No. of Complaints disposed of during the financial year: Nil

No. of complaints pending as on the end of financial year: Nil

(z) 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.

Disclosures of Compliance with Corporate Governance Requirements

The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 of LODR.

The Company has complied with Clause (b) to (i) of sub regulation (2) of Regulation 46, relating to website disclosures. The Company's website contains a separate section 'Investors' where members can access the details of the Board, Policies, the Board Committee, financials, details of unclaimed dividend and shares transferred/ liable to be transferred to IEPF, Stock exchange disclosures etc.

(aa) CERTIFICATIONS

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.

The Company has obtained 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.

A certificate from the Company Secretary in Practice has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority, attached as Annexure.

(bb) REMUNERATION TO STATUTORY AUDITORS

S.R.Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration number 301003E/ E300005), the Company's Statutory Auditor is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

As required under Regulation 34 read with Part C of the Schedule V of the LODR Regulations, the total fees paid by the Company is Rs.32.71 lakhs (and its subsidiaries – Not Applicable) on a consolidated basis to the Statutory auditor and all entities in the network firm/ entity of which the statutory auditor is a part.

DISCLOSURE PURSUANT TO CLAUSE (2A) OF SCHEDULE V (ANNUAL REPORT) OF SEBI (LODR) (AMENDMENT) REGULATIONS, 2018

Disclosures of transactions of the listed entity with any person or entity belonging to the Promoter/ Promoter group which hold(s) 10% or more shareholding in the listed entity

A. Names of promoter/ promoter group, with 10% or more shareholding and description of relationship:

	Names of promoter/ promoter group, with 10% or more shareholding	Nature of relationship
i)	Maruti Suzuki India Limited	Entities with joint control or significant influence over the Company
	Suzuki Motor Corporation, Japan.	
	Sharda Motor Industries Limited	

B. Transactions during the year: (Rs. In Lakhs except as otherwise stated)

Particulars	2018-19	2017-18
i) Sale of products (inclusive of excise duty)		
Maruti Suzuki India Ltd.	82,311.16	93,986.42
Sharda Motor Industries Ltd.	97.73	35.75
	82,408.89	94,022.17
ii) Purchases of Material, traded goods (Inclusive of all taxes)		
Sharda Motor Industries Ltd.	23,362.96	36,781.70
Maruti Suzuki India Ltd	287.34	-
	23,650.30	36,781.70
iii) Miscellaneous Income		
Maruti Suzuki India Limited	-	1.50
iv) Interest Income:		
Maruti Suzuki India Pvt. Ltd.	4.42	18.03
	4.42	19.53
v) Other Expenses :		
a) Power & Fuel		
Maruti Suzuki India Ltd.	721.29	583.60
b) Rent:		
Maruti Suzuki India Ltd.	19.48	18.56
c) Factory Expenses:		
Maruti Suzuki India Ltd.	56.18	37.06
d) Sitting fees:		
Maruti Suzuki India Ltd.	1.60	1.60
Suzuki Motor Corporation, Japan	-	0.80
	798.55	641.62
Miscellaneous expenses:		
Maruti Suzuki India Limited	2.34	0.65
Dividend paid:		
Maruti Suzuki India Ltd.	46.50	41.85
Suzuki Motor Corporation, Japan	46.50	41.85
Sharda Motor Industries Ltd.	90.00	81.00
	183.00	164.70
vi) Advance received during the year		
Maruti Suzuki India Ltd.	-	1,460.77

DECLARATIONS

CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR: 2018-19

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, 2019.

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, 2019 :

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 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. Vice President (Strategic Planning)

For Bharat Seats Limited

Sanjeev Kumar
Chief Financial Officer

Place : Gurugram
Date : 23rd April, 2019

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, 2019 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
Date : 23rd July, 2019

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015)

To,
The Members of
Bharat Seats Limited
1, Nelson Mandela Road,
Vasant Kunj, New Delhi-110070

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharat Seats Limited having CIN No. L34300DL1986PLC023540 and having registered office at 1, Nelson Mandela Road, Vasant Kunj, New Delhi-110070 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby Confirm that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the company
1	Mr. ROHIT RELAN	00257572	06/03/1986
2	Ms. SHARDA RELAN	00252181	20/07/2016
3	Mr. AJAY RELAN	00257584	05/04/1988
4	Mr. TOSHIYA MIKI	07505339	20/01/2017
5	Mr. RAMAN VENKAT CHALLA	07093663	18/07/2015
6	Mr. GIRISH NARAIN MEHRA	00059311	22/01/2003
7	Mr. PRATEEP KUMAR LAHIRI	00039653	22/01/2003
8	Mr. RAVINDRA GUPTA	01521168	31/03/2009
9	Mr. ARVIND VARMA	02225281	21/10/2014
10	Ms. SHYAMLA KHERA	06929439	21/07/2014

Ensuring the eligibility of or the appointment / continuity of Director on the Board is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these based on our verification. This Certificate 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 : Delhi
Date : 23rd July, 2019

R S Bhatia
Membership No:2599
CP No.:2514

Independent Auditor's Report

To the Members of Bharat Seats Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Bharat Seats Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with

the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Contingent Liabilities (as described in note 27 of the Ind AS financial statements)	
<p>As of March 31, 2019, the Company has disclosed contingent liabilities of Rs.373.26 lakhs relating to tax and legal claims.</p> <p>Taxation, arbitration and litigation exposures have been identified as a key audit matter due to the uncertainties involved in these tax and legal claims.</p> <p>Due to uncertainty of cases, timescales for resolution and need to negotiate with various authorities, there is significant judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the Ind AS financial statements.</p> <p>Accordingly, claims, litigations, arbitrations and contingent liabilities was determined to be a key audit matter in our audit of the Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Gained an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls. • Obtained the Company's legal and tax cases summary and critically assessed management's position through discussions with the legal head, tax head and Company management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Obtained confirmation, where appropriate, from relevant third party legal counsel and conducted discussions with them regarding material cases. Evaluated the objectivity, independence, competence and relevant experience of third party legal counsel. • Engaged experts to assess management's application and interpretation of tax legislation affecting the Company, and to consider the quantification of exposures and settlements arising from disputes with tax authorities in the various tax jurisdictions. • Checked the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss 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 the written representations

received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended 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 Amit Chugh
Partner

Membership Number: 505224

Place of Signature: Gurugram

Date: April 23, 2019

Annexure 1 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, 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, 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 the dues	Amount (In Lakhs)	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 Amit Chugh

Partner

Membership Number: 505224

Place of Signature: Gurugram

Date: April 23, 2019

ANNEXURE 2 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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these financial statements 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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 Amit Chugh
Partner
Membership Number: 505224
Place of Signature: Gurugram
Date: April 23, 2019

BALANCE SHEET AS AT 31ST MARCH 2019

(Rs. in lakhs except as otherwise stated)

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
ASSETS			
1 Non-current assets			
Property, plant and equipment	6	15,054.42	13,488.23
Capital work in progress	7	43.18	1,316.17
Intangible assets	6	120.05	143.08
Financial assets			
i) Loans	8	96.07	72.07
Other non-current assets	9	12.31	101.93
Non-current tax assets (Net)	10	532.56	370.80
		15,858.59	15,492.28
2 Current assets			
Inventories	11	2,189.13	2,738.46
Financial assets			
i) Trade receivables	12	7,780.89	9,377.82
ii) Cash and cash equivalents	13	960.39	244.57
iii) Other bank balances	14	42.31	66.20
iv) Other financial assets	15	-	115.34
Other current assets	16	449.42	417.31
		11,422.14	12,959.70
Total Assets		27,280.73	28,451.98
EQUITY AND LIABILITIES			
1 Equity			
Equity share capital	17	628.00	628.00
Other equity	18	9,827.89	8,048.05
		10,455.89	8,676.05
2 Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	19	2,007.75	2,227.43
Provisions	20	198.28	219.53
Deferred tax liabilities (Net)	21	1,304.39	1,161.45
		3,510.42	3,608.41
Current liabilities			
Financial liabilities			
i) Borrowings	22	622.46	74.40
ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	23	1,489.58	628.44
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	10,546.67	14,307.78
iii) Other financial liabilities	24	472.84	634.30
Other current liabilities	25	132.87	473.81
Provisions	26	50.00	48.79
		13,314.42	16,167.52
Total Equity and Liabilities		27,280.73	28,451.98
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 and on behalf of the Board of Directors
For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Registration No. 301003E/E300005

PER AMIT CHUGH

Partner

Membership no. 505224

ROHIT RELAN

Chairman and Managing Director

DIN 00257572

RAJAT BHANDARI

Sr. Vice President

(Strategic Planning)

Place : Gurugram

Dated : April 23, 2019

RITU BAKSHI

Company Secretary

SANJEEV KUMAR

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in lakhs except as otherwise stated)

Particulars	Notes	Year Ended 31st March 2019	Year Ended 31st March 2018
I INCOME			
Revenue from operations	28	90,356.85	100,137.75
Other income	29	527.54	120.90
Total income		90,884.39	100,258.65
II EXPENSES			
Cost of materials consumed	30	74,699.42	82,215.79
Purchase of traded goods	31	36.87	35.44
Changes in inventories of finished goods, work in progress and traded goods	32	(107.97)	(17.08)
Excise duty on sale of goods		-	3,109.72
Employee benefits expense	33	3,138.64	2,508.00
Finance costs	34	302.10	320.38
Depreciation and amortization expenses	35	2,061.25	1,911.08
Other expenses	36	7,631.69	5,825.30
Total expenses		87,762.00	95,908.63
III Profit before tax		3,122.39	4,350.02
IV Tax expenses			
Current tax		831.76	1,542.02
Deferred tax expenses/(credit)		142.94	(61.34)
Adjustment of tax relating to earlier years		5.64	47.83
Income tax expense	21	980.34	1,528.51
V Profit for the year		2,142.05	2,821.51
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))		25.10	(29.37)
ii) Income tax effect (refer note 21)		(8.77)	10.16
Total other comprehensive income for the year, net of taxes		16.33	(19.21)
VII Total comprehensive income for the year, net of taxes		2,158.38	2,802.30
VIII Earnings per equity share of Rs. 2 each:			
(1) Basic (Rs.)	37	6.82	8.99
(2) Diluted (Rs.)	37	6.82	8.99
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 and on behalf of the Board of Directors
For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Registration No. 301003E/E300005

PER AMIT CHUGH

Partner

Membership no. 505224

ROHIT RELAN

Chairman and Managing Director

DIN 00257572

RAJAT BHANDARI

Sr. Vice President

(Strategic Planning)

Place : Gurugram

Dated : April 23, 2019

RITU BAKSHI

Company Secretary

SANJEEV KUMAR

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019
A Equity Share Capital (Refer note 17)

(Rs. in lakhs except as otherwise stated)

	Nos.	Amount
As at 1st April, 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
Changes in equity share capital during the year	-	-
Balance as at 31st March 2019	31,400,000	628.00

B Other Equity (Refer note 18)

	Reserves & Surplus		Total
	General Reserve	Retained Earnings	
As at 1st April, 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)
Dividends			
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
Net profit for the year	-	2,142.05	2,142.05
Other Comprehensive Income for the year			
Remeasurements gain/(loss) on defined benefit plans.	-	16.33	16.33
Dividend			
Final dividend paid during the year	-	(314.00)	(314.00)
Corporate dividend tax	-	(64.54)	(64.54)
As at 31st March 2019	3,950.73	5,877.16	9,827.89

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 AMIT CHUGH
 Partner
 Membership no. 505224

Place : Gurugram
 Dated : April 23, 2019

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
 (Strategic Planning)

SANJEEV KUMAR
 Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

(Rs. in lakhs except as otherwise stated)

	For the year ended 31st March 2019	For the year ended 31st March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax	3,122.39	4,350.02
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	2,061.25	1,911.08
Loss on sale of property, plant and equipment	68.59	41.54
Finance cost (including fair value change in financial instruments)	298.47	315.98
Interest income (including fair value change in financial instruments)	(53.72)	(0.68)
Excess provision no longer required written back	359.72	12.43
Operating profit before working capital changes	5,856.70	6,630.37
Adjustments for changes in working capital :		
(Increase)/decrease in inventories	549.33	(1,200.62)
(Increase)/decrease in trade receivables	1,596.93	38.32
(Increase)/decrease in other financial and non- financial assets	71.72	69.86
Increase/(decrease) in trade payables	(3,259.69)	2,629.18
Increase/(decrease) in other financial, non financial liabilities and provisions	(339.43)	101.57
Cash generated from operating activities	4,475.56	8,268.68
Income tax paid (net of refunds)	(1,007.93)	(1,416.53)
Net cash flow from operating activities	3,467.63	6,852.15
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work in progress, capital advances net of capital creditors	(2,470.61)	(2,303.35)
Proceeds from sale of property, plant and equipment	15.24	27.71
Fixed Deposits matured/(made) during the year	26.86	23.38
Interest income received	41.23	0.31
Net cash from/(used in) investing activities	(2,387.28)	(2,251.95)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	1,390.00
Repayment of long term borrowings	(234.27)	(2,135.67)
Repayment of short term borrowings	548.06	(2,987.12)
Dividend paid on equity shares (including corporate dividend tax)	(378.54)	(340.13)
Interest Paid	(299.78)	(309.60)
Net cash used in financing activities	(364.53)	(4,382.52)
Net increase in cash and cash equivalents (A+B+C)	715.82	217.68
Cash and cash equivalents at the beginning of the year	244.57	26.89
Cash and cash equivalents at the end of the year	960.39	244.57
Components of cash and cash equivalents		
Cash and cash equivalents		
Balances with banks:		
Current accounts	31.36	16.83
Cash credit accounts	-	171.95
Fixed deposits account with a original maturity of less than three months	928.20	54.94
Cash on hand	0.83	0.85
Net Cash and cash equivalents as at 31st March	960.39	244.57

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 AMIT CHUGH

Partner

Membership no. 505224

For and on behalf of the Board of Directors

ROHIT RELAN

Chairman and Managing Director

DIN 00257572

RAJAT BHANDARI

Sr. Vice President

(Strategic Planning)

Place : Gurugram

Dated : April 23, 2019

RITU BAKSHI

Company Secretary

SANJEEV KUMAR

Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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 1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070. The Company is listed on Bombay Stock Exchange 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 dated April 23, 2019.

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 from time to time) and presentation requirements of schedule III 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. Assets having value less than Rs. 5,000 are depreciated fully in the year of purchase.

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:

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

- The availability of adequate resources to complete the development and to use or sale the asset; and
- 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand and short term deposits, as defined above net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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.

The Company treats accumulated leaves to be carried forward beyond 12 months as long term employee benefits for measurement purpose, such long term compensated absence are provided for based on actuarial valuation which is done as per projected unit credit method at 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

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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in 2.13 "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

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

- ▶ Debt instruments at amortised cost.
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI).
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- ▶ Equity instruments measured at fair value through other comprehensive income (FVTOCI).

The Company's financial assets are only classified as debt instruments at amortised cost.

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.

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.

De recognition

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; e.g. 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.

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.

There is no significant credit risk in relation to financial assets including trade receivables.

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 from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 60 days upon delivery.

The Company also considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets for further reference.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Other revenue streams:

i) Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

ii) 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.

iii) 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 asset and deferred tax liabilities are offset if a legally enforceable right exist to set off current tax asset against current tax liabilities.

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.

Ind AS 116: Leases:

Ind AS 116 Leases has been notified during the current year and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change

in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Transition to Ind AS 116:

The Company is proposing to use the "Modified Retrospective Approach" for transitioning to Ind AS 116 and to apply Ind AS 116 prospectively with cumulative effect of initial application as an adjustment to the opening retained earnings as at April 01, 2019. The Company is currently in process of assessing the impact of this standard on financial statements.

5. Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.


6 a) Property Plant & Equipment and Intangible Assets: 2018-19

(Rs. in lakhs except as otherwise stated)

Particulars	Gross Carrying Value			Depreciation / Impairment			Net Carrying Value		
	Balance as at 1st April 2018	Additions*	Disposals	Balance as at 31st March 2019	Balance as at 1st April 2018	Depreciation for the period	Disposals	Balance as at 31st March 2019	Balance as at 31st March 2018
Land freehold	211.09	-	-	211.09	-	-	-	211.09	211.09
Land leasehold	39.41	-	-	39.41	22.39	3.40	-	13.62	17.02
Buildings	6,820.83	61.13	-	6,881.96	1,325.68	219.56	-	5,336.72	5,495.15
Plant and Equipment	15,888.90	2,904.52	389.55	18,403.87	9,784.42	1,531.58	314.39	7,402.26	6,104.48
Furniture and Fixtures	192.73	14.73	-	207.46	125.67	13.34	-	68.45	67.06
Vehicles	189.84	11.39	14.96	186.27	67.31	21.53	6.41	103.84	122.53
Office equipment	112.54	31.34	0.81	143.07	68.06	16.80	0.69	58.90	44.48
Computers	193.62	60.58	-	254.20	135.57	30.21	-	88.42	58.05
Electrical installation	1,228.14	152.16	-	1,380.30	349.26	54.77	-	976.27	878.88
A	24,877.10	3,235.85	405.32	27,707.63	11,878.36	1,891.19	321.49	14,259.57	12,998.74
Research and Development									
Building	20.69	10.75	-	31.44	6.49	0.68	-	24.27	14.20
Plant and Equipment	978.71	413.81	-	1,392.52	589.67	106.97	-	696.64	389.04
Furniture and Fixtures	45.88	0.91	-	46.79	25.63	4.71	-	16.45	20.25
Office equipment	27.70	9.11	-	36.81	15.28	5.07	-	16.46	12.42
Computers	138.38	8.17	-	146.55	91.55	23.12	-	31.88	46.83
Electrical installation	13.74	3.75	-	17.49	6.99	0.59	-	9.91	6.75
B	1,225.10	446.50	-	1,671.60	735.61	141.14	-	876.75	489.49
Total (A+B)	26,102.20	3,682.35	405.32	29,379.23	12,613.97	2,032.33	321.49	15,054.42	13,488.23
Intangible Assets									
Software	106.38	4.38	-	110.76	44.41	12.44	-	53.91	61.97
Research and Development									
Software	96.14	1.51	-	97.65	15.03	16.48	-	66.14	81.11
Total (C)	202.52	5.89	-	208.41	59.44	28.92	-	120.05	143.08
Grand Total (A+B+C)	26,304.72	3,688.24	405.32	29,587.64	12,673.41	2,061.25	321.49	15,174.47	13,631.31


6 b) 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	Balance as at 1st April 2017	Depreciation for the period	Disposals	Balance as at 31st March 2018	Balance as at 31st March 2017
Land freehold	211.09	-	-	211.09	-	-	-	211.09	211.09
Land leasehold	39.41	-	-	39.41	18.99	3.40	-	22.39	20.42
Buildings	6,549.96	270.87	-	6,820.83	1,118.03	207.65	-	1,325.68	5,431.93
Plant and Equipment	15,911.11	571.25	593.46	15,888.90	8,929.43	1,410.62	555.63	9,784.42	6,981.68
Furniture and Fixtures	183.19	9.54	-	192.73	116.00	9.67	-	125.67	67.19
Vehicles	232.67	42.61	85.44	189.84	101.34	23.31	57.34	67.31	131.33
Office equipment	94.39	18.15	-	112.54	55.91	12.15	-	68.06	38.48
Computers	250.39	31.67	88.44	193.62	193.12	28.55	86.10	135.57	57.27
Electrical installation	1,186.00	42.14	-	1,228.14	294.60	54.66	-	349.26	891.40
A	24,658.21	986.23	767.34	24,877.10	10,827.42	1,750.01	699.07	11,878.36	13,830.79
RESEARCH & DEVELOPMENT									
Building	20.69	-	-	20.69	5.84	0.65	-	6.49	14.85
Plant and Equipment	962.98	24.12	8.39	978.71	491.16	106.34	7.83	589.67	471.82
Furniture and Fixtures	45.88	-	-	45.88	20.70	4.93	-	25.63	25.18
Office equipment	27.70	-	-	27.70	10.23	5.05	-	15.28	17.47
Computers	148.36	4.09	14.07	138.38	84.13	21.27	13.85	91.55	64.23
Electrical installation	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	21.68	735.61	600.95
Total (A+B)	25,877.56	1,014.44	789.80	26,102.20	11,445.82	1,888.90	720.75	12,613.97	14,431.74
Intangible Assets									
Software	97.52	8.86	-	106.38	37.26	7.15	-	44.41	60.26
Research and Development									
Software	83.63	12.51	-	96.14	-	15.03	-	15.03	83.63
Total (C)	181.15	21.37	-	202.52	37.26	22.18	-	59.44	143.89
Grand Total (A+B+C)	26,058.71	1,035.81	789.80	26,304.72	11,483.08	1,911.08	720.75	12,673.41	14,575.63

*Foreign Exchange (gain)/loss capitalised during the year of Rs. (10.93 Lakhs) (31st March 2018: Rs. 20.77 Lakhs) in the additions.

NOTES TO FINANCIAL STATEMENTS
7 Capital work in progress

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Capital work in progress		
Opening cost	1,316.17	46.60
Additions during the year	43.18	1,316.17
Deduction and adjustment during the year	(1,316.17)	(46.60)
	43.18	1,316.17

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

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
(Unsecured, considered good)		
Loans:		
Security deposits	96.07	72.07
	96.07	72.07

9 Other non current assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
(Unsecured, considered good)		
Capital advances	12.31	101.93
	12.31	101.93

10 Non-current tax assets (net)

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Advance Tax (net of provisions and tax deducted at source)	532.56	370.80
	532.56	370.80

11 Inventories

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials and components * (including lying with third party of Rs. 27.55 lakhs (31st March 2018: Rs. 425.12 lakhs) and fixtures and moulds of Rs. 66.08 lakhs (31st March 2018: Rs.840.41 lakhs))	1,541.32	2,227.13
Work-in-progress	122.53	100.14
Finished goods	303.12	215.48
Stores and spares	219.46	190.95
Traded Goods	2.45	4.26
Scrap materials	0.25	0.50
	2,189.13	2,738.46

Note:

Inventories are hypothecated with the bankers against working capital limits (Refer note 19, 22 and 27)

12 Trade receivables

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
(Unsecured)		
Trade Receivable- considered good	7,780.89	9,377.82
	7,780.89	9,377.82

Note:

a) Trade Receivables are interest bearing. Credit period generally falls in the range of 30 to 60 days.

 a) Due from related parties Rs. 7,771.00 lakhs (31st March 2018: Rs 9,369.40 lakhs) refer note 38 (d)

13 Cash and cash equivalents

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Balance with banks:		
Current accounts	31.36	16.83
Cash credit accounts	-	171.95
Cash on hand	0.83	0.85
Fixed Deposits account with an original maturity of less than three months	928.20	54.94
	960.39	244.57

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

14 Other bank balances

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
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	19.80	18.66
Unclaimed dividend accounts*	22.51	19.54
	42.31	66.20

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

15 Other financial assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
(Unsecured, considered good)		
Other receivables (refer note 38 (d))	-	115.34
	-	115.34

16 Other current assets

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
(Unsecured, considered good)		
Advances given to suppliers	93.27	345.22
Others		
Balance with statutory / government authorities	262.12	-
Prepaid expenses	81.17	71.72
Interest accrued	12.86	0.37
	449.42	417.31

17 Equity

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
	Amount	Amount
Equity Share Capital		
(a) Authorised		
3,50,00,000 Equity Shares of Rs. 2/- each (31st March 2018: 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 2018: 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

	As at 31st March 2019		As at 31st March 2018	
	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 2018 : Rs 2/- per share). Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian 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):

(Rs. in lakhs except as otherwise stated)

Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	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

18 Other equity

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
(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
(b) Retained earnings		
Balance as at the beginning of the year	4,097.32	1,635.15
Net profit for the year	2,142.05	2,821.51
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement gain/(loss) on defined benefit plans	16.33	(19.21)
Dividends		
Final dividend of Re. 1/- per share (31st March, 2018 Re. 0.90/- per share)	(314.00)	(282.60)
Corporate dividend tax paid on final dividend	(64.54)	(57.53)
	5,877.16	4,097.32
	9,827.89	8,048.05

19 Borrowings

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Secured		
Term loans -from banks	347.75	567.43
Unsecured		
Loans from related parties (refer note 38 (d))	1,660.00	1,660.00
	2,007.75	2,227.43

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

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018	Particulars of security / guarantees / terms of repayment / default
Loan - Yes Bank Limited (INR Loan)			Particulars of security
Balance outstanding	572.48	793.46	First pari passu charge on all movable fixed assets (excluding those which are exclusively charge to other lenders) both present and future.
Current maturity	224.73	226.03	Equitable mortgage on factory land and building located at Borakalan.
Non - current amount	347.75	567.43	Terms of repayment
			Period of loan is 60 months(Including 6 months moratorium period), sanctioned on January 04, 2016, repayable in 54 equal monthly instalments commencing from May 23, 2017.
Total	347.75	567.43	Rate of interest is at one year MCLR, present rate 10.15% per annum.

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

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018	Particulars of terms of repayment / default/ rate of interest
Term loans -from banks			
- Loan from Bank of Tokyo (external commercial borrowing)			
Loan -1			The period of loan is 6 years, sanctioned on March 13, 2012, Repayable in 24 equal quarterly instalments commencing from September 09, 2012 upto June 15, 2018. Rate of interest- JPY LIBOR+250 BPS
Balance outstanding	-	14.60	
Current maturity	-	14.60	
Non - current amount	-	-	
Loans from related parties			
-Loan from directors			Repayable within two years. Rate of interest is @ 8.65% per annum.
Balance outstanding	1,660.00	1,660.00	
Current maturity	-	-	
Non - current amount	1,660.00	1,660.00	
Total	1,660.00	1,660.00	

Loan covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net borrowings to EBITDA ratio, debt tangible net worth ratio and debt service coverage ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loan. The other loans do not carry any debt covenant.

20 Non- Current provisions

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits		
Gratuity (refer note 38(a))	20.15	71.75
Leave encashment (refer note 38(b))	178.13	147.78
	198.28	219.53

21 Income Taxes

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
a)	Income Tax expense in the statement of profit and loss comprises:	
Current income tax charge	831.76	1,542.02
Adjustment of tax relating to earlier years	5.64	47.83
Deferred Tax		
Relating to origination and reversal of timing differences	142.94	(61.34)
Income tax expense reported in the statement of profit and loss	980.34	1,528.51
b)	Other comprehensive income	
Tax on Re-measurement gain/(losses) on defined benefit plans (refer note 38(a))	(8.77)	10.16
Income tax related to items recognised in OCI during the year	(8.77)	10.16

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		As at 31st March 2019	As at 31st March 2018
Accounting profit before tax		3,122.39	4,350.02
Applicable tax rate		34.944%	34.608%
Computed Tax Expense		1,091.09	1,505.45
Additional allowances for tax purpose		(137.90)	(39.73)
Expense allowed on payment basis		-	(10.59)
Expense not allowed for tax purpose		21.51	14.38
Difference in tax rate		-	11.17
Tax Relating to earlier year		5.64	47.83
Income tax charged to Statement of Profit and loss at effective rate		980.34	1,528.51

d) Deferred tax relates to the following:				
	As at 31st March 2019	As at 31st March 2018	for the year ended 31st March 2019	for the year ended 31st March, 2018
Deferred tax assets on account of :				
Effect of expenditure debited to statement of profit and loss in the current year but allowed for tax on payment basis	81.99	68.14	13.85	13.38
Total deferred tax assets	81.99	68.14	13.85	13.38
MAT credit entitlement	-	-	-	(522.80)
Deferred tax liabilities on account of :				
Accelerated depreciation for tax purpose	1,386.38	1,229.59	156.79	(47.96)
Total deferred tax liabilities	1,386.38	1,229.59	156.79	(47.96)
Total deferred tax liabilities (net)	1,304.39	1,161.45	142.94	461.46

e) Reconciliation of deferred tax liabilities (net)		
	As at 31st March 2019	As at 31st March, 2018
Opening balance	1,161.45	699.99
Tax expense (credits) during the year recognised in Statement to profit and loss	142.94	(61.34)
Tax expense (credits) during the year recognised in OCI	-	-
Closing balance as at 31st March (before adjustment of MAT credit)	1,304.39	638.65
Availment (credit taken) of Minimum Alternate Tax	-	522.80
Closing balance as at 31st March	1,304.39	1,161.45

Note : During the year the company has paid dividend to its shareholders for the year ended 31st March, 2018. 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.

22 Short Term Borrowings

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Secured		
Cash credit	622.46	74.40
	622.46	74.40

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

(Rs. in lakhs except as otherwise stated)

Particulars	As at 31st March 2019	As at 31st March 2018	Particulars of security / guarantees / terms of repayment / default
- Loan from Yes Bank at 03 months MCLR, Present rate 10.15% per annum.	484.94	74.40	1) Yes Bank Ltd : - Sanctioned amount of Rs. 17,60,00,000/- Particulars of Security: First pari-passu charge on all current assets both present and future Second pari-passu charge on all fixed assets.
- Loan from HDFC Bank at 01 year MCLR, Present rate 9.25% per annum.	137.52	-	2) HDFC Bank Ltd : - Sanctioned amount of Rs. 17,60,00,000/- Particulars of Security: i) Pari-passu first charge by way of hypothecation on entire stocks of raw materials, semi-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 movable fixed assets.
	622.46	74.40	

Change in liabilities arising from financing activities

(Rs. in lakhs except as otherwise stated)

	1st April 2018	Cash flows	Foreign exchange management	Others	31st March 2019
Non-current borrowings including current maturities (refer note 19)	2,468.06	(534.05)	-	298.47	2,232.48
Current Borrowings (refer note 22)	74.40	548.06	-	-	622.46
Dividend payable	-	(378.54)	-	378.54	-
Total	2,542.46	(364.53)	-	677.01	2,854.94
	1st April 2017	Cash flows	Foreign exchange management	Others	31st March 2018
Non-current borrowings including current maturities (refer note 19)	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

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 2019	As at 31st March 2018
Dues of Micro and small enterprises (refer below note)	1,489.58	628.44
Dues of other than Micro and small enterprises	10,546.67	14,307.78
	12,036.25	14,936.22

* Trade Payables include due to related parties Rs 1,260.80 lakhs (31st March 2018: Rs 3,188.99 lakhs) refer note 38 (d)

* 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, 2019 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.

	As at 31st March 2019	As at 31st March 2018
i) Principal amount remaining unpaid to any supplier covered under MSMED Act (refer note 23 & 24)	1,502.40	628.44
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.	10.35	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, Small and Medium Enterprises which were outstanding for more than stipulated period are Rs. 536.04 lakhs (31st March 2018: Rs. Nil)

24 Other financial liabilities

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Current maturities of long-term borrowings (refer note 19.1)	224.73	240.63
Unpaid dividends (refer note (a))	22.51	19.54
Other Payables		
Creditors for capital goods - Micro and small enterprises	12.82	-
Creditors for capital goods - other than Micro and small enterprises	207.94	365.74
Security deposit	4.84	8.39
	472.84	634.30

- (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. 2.36 lakhs (31st March, 2018 Rs.1.66 lakhs) out of unclaimed dividend pertaining to the financial year 2010-2011 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 2019	As at 31st March 2018
Others		
Statutory dues payable	116.99	473.81
Others	15.88	-
	132.87	473.81

26 Current provisions

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits		
Gratuity (refer note 38(a))	2.62	10.70
Leave encashment (refer note 38(b))	47.38	38.09
	50.00	48.79

27 Contingent liabilities & commitments

(Rs. in lakhs except as otherwise stated)

	As at 31st March 2019	As at 31st March 2018
(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)	117.37	109.12
	373.26	365.01
(B) Commitments		
Estimated amount of contracts remaining to be executed :		
a) Capital commitments (net of advance)	58.02	609.49
b) Other commitments (net of advance)	302.98	723.83
	361.00	1,333.32
	734.26	1,698.33

- 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 statue, 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 grant of stay and the same has been granted on 08th August, 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 honourable 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) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

(C) Undrawn committed borrowing facility

- (a) The company has undrawn cash credit facility of Rs. 1,275.06 lakhs from Yes bank Ltd and Rs. 1,622.48 lakhs from HDFC Bank Limited as on 31st March 2019. {refer note no. 22}.

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

28 Revenue from operations

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
A) Revenue from contract with customers		
Sale of products (including excise duty)	90,242.21	100,040.68
B) Other operating revenues		
Scrap sales	114.64	97.07
Revenue from operations (gross) (A+B)	90,356.85	100,137.75

Note : 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. Until 30 June 2017, 'Sale of products' includes the amount of excise duty recovered on sales amounting to Rs.3,109.72 lakhs. The Company collects GST on behalf of the Government and is not included in 'Sale of products', and therefore revenue from 'Sale of products' for the year ended 31 March 2019 is not comparable with that of the previous year. 'Sale of products' net of excise duty for the year ended 31 March 2018 is Rs.97,028.03 lakhs.

28.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of goods		
Seating system	83,008.21	92,543.01
Carpets	1,591.86	1,980.91
Extrusions	1,695.71	1,468.66
Others	3,946.43	4,048.10
Total revenue from contracts with customers	90,242.21	100,040.68

28.2 Contract balances

Trade receivables	7,780.89	9,377.82
Contract liabilities	15.88	-

Trade Receivables are interest bearing. Credit period generally falls in the range of 30 to 60 days.

Contract liabilities consist of short-term advances received from customer to supply goods.

28.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price	90,394.48	97,060.83
Adjustments		
Sales return	(37.63)	(32.80)
Excise duty on sale of goods	-	3,109.72
Revenue from contracts with customers	90,356.85	100,137.75

28.4 Performance obligation

The performance obligation is satisfied upon delivery of the equipment to the customer and payment is generally due within 30 to 60 days from delivery.

29 Other income

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
Interest received on financial assets carried at amortised cost:		
Bank deposits	53.72	0.68
Others	4.42	18.03
Other non-operating income		
Management Consultancy Income	36.97	49.90
Rental Income	35.68	22.31
Excess provision no longer required written back	359.72	12.43
Miscellaneous Income	37.03	17.55
	527.54	120.90

30 Cost of materials consumed

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
Inventory at the beginning of the year	2,227.13	1,065.40
Add: Purchases	74,013.61	83,377.52
Less: Inventory at the end of the year	1,541.32	2,227.13
	74,699.42	82,215.79

31 Purchase of traded goods

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
Purchases	36.87	35.44
	36.87	35.44

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

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
Inventory at the beginning 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
Inventory at the end of the year		
Finished goods	303.12	215.48
Work-in-progress	122.53	100.14
Traded Goods	2.45	4.26
Scrap materials	0.25	0.50
	428.35	320.38
Changes in inventories of finished goods, work-in-progress and traded goods ((Increase) / Decrease)	(107.97)	(17.08)

33 Employee benefits expense

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
Salaries, wages, bonus and other benefits	2,719.83	2,137.96
Contributions to provident and other funds	170.38	144.99
Gratuity expense (refer note No. 38 (a))	47.87	53.09
Staff welfare expenses	200.56	171.96
	3,138.64	2,508.00

34 Finance costs

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
Interest on debts & borrowings	280.13	315.98
Interest on others	18.34	-
Bank Charges	3.63	4.40
	302.10	320.38

35 Depreciation and amortization expenses

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
Depreciation of tangible assets (refer note 6)	2,032.33	1,888.90
Amortization of intangible assets (refer note 6)	28.92	22.18
	2,061.25	1,911.08

36 Other expenses

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
Power and fuel	1,385.93	1,185.07
Rent	134.99	89.11
Increase/(Decrease) in excise duty on inventory of finished goods	-	(20.45)
Repair and maintenance:		
Buildings	63.87	57.87
Plant and machinery	474.96	330.45
Others	16.86	23.04
Insurance	37.15	33.86
Research and development expenses - (refer note 38(j))	341.28	193.67
Consumption of stores and spares	256.44	175.87
Payment to Auditors		
As Auditors:		
Audit Fee	30.50	30.50
Reimbursement of expenses	2.21	-
Loss on sale/discard of fixed assets	68.59	41.54
Contribution towards Corporate Social Responsibility (CSR) (refer note no. 38 (e))	47.00	26.23
Factory expenses	2,949.11	2,083.18
Legal and professional expenses	403.26	261.16
Technical know how fees and royalty	136.99	134.13
Travelling and conveyance	334.95	332.93
Miscellaneous expenses	947.60	847.14
	7,631.69	5,825.30

37 Earnings per equity shares

(Rs. in lakhs except as otherwise stated)

	Year Ended 31st March 2019	Year ended 31st March 2018
a) Basic Earnings per share		
Numerator for earnings per share		
Profit after taxation	2,142.05	2,821.51
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.	6.82	8.99
b) Diluted Earnings per share		
Numerator for earnings per share		
Profit after taxation	2,142.05	2,821.51
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.	6.82	8.99

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	2018-19	2017-18	2016-17	2015-16	2014-15
Provident fund/ other employees fund	170.38	144.99	109.74	94.87	70.52

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.

- i) 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:

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Opening defined benefit obligation	334.01	241.65
Current Service Cost	41.77	51.84
Interest Cost	24.72	17.40
Remeasurement (gains)/ losses	(20.61)	31.39
Benefits paid	(11.86)	(8.27)
Closing defined benefit obligation	368.03	334.01

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

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Opening fair value of plan assets	251.56	211.05
Addition(reduction) due to difference identified in the plan assets at the beginning of the period	-	0.89
Fair value of plan assets at the beginning of the period	251.56	211.94
Interest income	18.62	15.26
Remeasurement gain /(loss): -Return on plan assets (expected amounts included in net interest expense)	4.49	2.02
Contributions from the employer	82.45	30.61
Benefits paid	(11.86)	(8.27)
Closing fair value of plan assets	345.26	251.56

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

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Present value of defined benefit obligation	368.03	334.01
Fair value of plan assets	345.26	251.56
Amount Recognised in Balance Sheet-Asset/ (Liability)	(22.77)	(82.45)

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

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Current service cost	41.77	51.84
Interest cost on benefit obligation	6.10	2.14
Reduction due to difference in plan assets at the beginning of the period		(0.89)
Defined Benefit Cost recognised in statement of Profit or Loss	47.87	53.09

v) Re- measurement (gain)/ loss recognized in Other Comprehensive Income

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Return on plan assets (excluding amount included in net interest expense)	(4.49)	(2.02)
Acturial (gains)/ losses arising from changes in demographic assumption	-	13.46
Acturial (gains)/ losses arising from changes in financial assumptions	(2.66)	44.05
Acturial (gains)/ losses arising from experience adjustments	(17.95)	(26.12)
Defined benefit costs recognised in other comprehensive income	(25.10)	29.37

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

(Rs. in lakhs except as otherwise stated)

Particulars	Gratuity
Insured with LIC	100.00%

vii) Principal assumptions used in determining defined benefit obligation

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Discount rate	7.50%	7.40%
Rate of increase in compensation	9.00%	9.00%
Average outstanding service of employees upto retirement (years)	24.59	26.64

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

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Change in discount rate		
Decrease in defined benefit obligation due to 1% increase in discount rate	18.32	17.44
Increase in defined benefit obligation due to 1% decrease in discount rate	20.35	19.33
Change in salary escalation		
Increase in defined benefit obligation due to 1% increase in expected salary escalation rate	18.76	18.05
Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate	17.67	16.89

Changes in defined benefit obligation due to 1% increase/decrease in mortality rate, if all other assumptions remains constant is negligible.

ix) Maturity profile of defined benefit obligation

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
(i) Weighted average duration of the defined benefit obligation	9 years	9 years
Within next 12 months	33.85	27.17
Between 2 to 5 years	176.02	157.79
Above 5 years	158.15	149.05
Total	368.02	334.01
(ii) Duration of defined benefit payments		
Within next 12 months	35.10	28.33
Between 2 to 5 years	216.96	198.48
Above 5 years	353.08	325.31
Total	605.14	552.12

x) Enterprise best estimate of contribution during next year

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Enterprise best estimate of contribution during next year	42.22	43.35

- 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. Leave Encashment (Unfunded)

The Company recognizes the leave encashment expenses in the Statement of Profit and loss based on actuarial valuation.

The expenses recognized in the Statement of Profit and loss and the leave encashment liability at the beginning and at the end of the year

(Rs. in lakhs except as otherwise stated)

Particulars	As At 31st March 2019	As At 31st March 2018
Liability at the beginning of the year	185.87	149.09
Benefits paid during the year	(31.20)	(21.77)
Provided during the year	70.84	58.55
Liability at the end of the year	225.51	185.87

c. 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. 82,311.16 lakhs (31st March, 2018: Rs. 93,986.42 lakhs).

d. 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 as amended from time to time) 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 Company	Maruti Suzuki India Limited Suzuki Motor Corporation, Japan. Sharda Motor Industries Limited
ii)	Key management personnel	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 Pvt. Ltd.

**B. Transactions during the year:**

(Rs. In Lakhs except as otherwise stated)

Particulars	2018-19	2017-18
i) Sale of products (inclusive of excise duty)		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	82,311.16	93,986.42
Sharda Motor Industries Ltd.	97.73	35.75
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Suzuki Motorcycle India Pvt. Ltd.	7208.73	5690.29
Suzuki Motor Gujarat Pvt. Ltd.	419.45	103.08
Toyo Sharda India Pvt. Ltd.	278.25	159.49
	90,315.32	99,975.03
ii) Purchases of Material, traded goods (Inclusive of all taxes)		
Entities with joint control or significant influence over the Company		
Sharda Motor Industries Ltd.	23,362.96	36,781.70
Maruti Suzuki India Ltd	287.34	-
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Toyo Sharda India Pvt. Ltd.	2,290.45	1,398.63
	25,940.75	38,180.33
iii) Other Income:		
a) Rental Income:		
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Toyo Sharda India Pvt. Ltd.	35.68	22.31
b) Management Consultancy Income:		
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Toyo Sharda India Pvt. Ltd.	36.97	49.90
c) Miscellaneous Income:		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Limited	-	1.50
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Toyo Sharda India Pvt. Ltd.	10.81	12.56
Suzuki Motorcycle India Pvt. Ltd.	21.31	0.30



Particulars	2018-19	2017-18
Suzuki Motor Gujarat Pvt. Ltd.	2.50	-
Toyota Boshoku Relan India Pvt. Ltd.	1.57	-
d) Interest Income:		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Pvt. Ltd.	4.42	18.03
	113.26	104.60
iv) Remuneration to Key Managerial Person		
Key management persons		
Rohit Relan		
-Short term employee benefits	141.00	123.00
-Post employment benefits	16.03	14.43
T. J. Chacko (till Nov. 30, 2017)		
-Short term employee benefits	-	28.69
-Post employment benefits	-	1.67
Sanjeev Kumar		
-Short term employee benefits	30.44	23.40
-Post employment benefits	2.76	10.09
Rishabh Relan		
-Short term employee benefits	36.60	28.02
-Post employment benefits	4.47	5.86
Ayush Relan		
-Short term employee benefits	13.00	13.41
-Post employment benefits	2.01	1.89
Ritu Bakshi		
-Short term employee benefits	16.21	13.04
-Post employment benefits	2.71	2.87
	265.23	266.37
v) Other Expenses :		
a) Power & Fuel		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	721.29	583.60



Particulars	2018-19	2017-18
b) Rent:		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	19.48	18.56
c) Factory Expenses:		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	56.18	37.06
d) Sitting Fees:		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	1.60	1.60
Suzuki Motor Corporation, Japan	-	0.80
Relatives of key management persons		
Sharda Relan	0.80	1.20
Ajay Relan	1.20	1.20
e) Miscellaneous Expenses:		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	2.34	0.65
	802.89	644.67
vi) Interest Expense		
Key management persons		
Rohit Relan	143.59	125.89
Relatives of key management persons		
Ajay Relan	-	9.06
Sharda Relan	-	2.54
	143.59	137.49
vii) Dividend paid:-		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	46.50	41.85
Suzuki Motor Corporation, Japan,	46.50	41.85
Sharda Motor Industries Limited.	90.00	81.00



Particulars	2018-19	2017-18
Key management persons		
Rohit Relan	3.17	2.79
Rishabh Relan	3.53	3.14
Ayush Relan	1.97	1.76
Relatives of key management persons		
Ajay Relan	3.17	2.85
Sharda Relan	12.51	11.26
Ritu Relan	2.73	2.45
Pranav Relan	4.13	3.69
	214.21	192.64
viii) Expenses Incurred on Behalf of other entity:		
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Toyo Sharda India Pvt. Ltd.	16.90	13.66
	16.90	13.66
ix) Loans Received from related parties		
Key management persons		
Rohit Relan	-	1,390.00
	-	1,390.00
x) Loan Paid to related parties		
Relatives of key management persons		
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 Ltd.	-	1,460.77
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Suzuki Motorcycle India Pvt. Ltd.	28.67	38.70
	28.67	1,499.47

C. Closing balances at the year end

(Rs. In Lakhs except as otherwise stated)

i) Trade receivables		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	6,867.91	8,580.37



Particulars	2018-19	2017-18
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Suzuki Motorcycle India Pvt. Ltd.	867.56	725.96
Suzuki Motor Gujarat Pvt. Ltd.	35.53	63.08
	7,771.00	9,369.41
ii) Trade payable		
Entities with joint control or significant influence over the Company		
Sharda Motor Industries Ltd.	921.24	3,140.82
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Toyo Sharda India Pvt. Ltd.	339.57	48.17
	1,260.81	3,188.99
iii) Performance bank guarantee outstanding in favour of:		
Entities with joint control or significant influence over the Company		
Maruti Suzuki India Ltd.	3.10	1,460.77
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Suzuki Motorcycle India Pvt. Ltd.	12.29	11.40
	15.39	1,472.17
iv) Other Receivable		
Enterprises over which entities referred to in (i) above is able to exercise significant influence		
Toyota Boshoku Relan India Pvt. Ltd.	-	115.34
	-	115.34
v) Unsecured Loans from Related parties		
Key management persons		
Rohit Relan	1,660.00	1,660.00
	1,660.00	1,660.00

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 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, 2019 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.

e. 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. 47 lakhs (31st March, 2018: Rs. 26.23 lakhs) towards relief activities, 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, 2019	As at 31st March, 2018		
a)	Gross amount required to be spent by the Company during the year				46.77	25.36		
b)	Amount spent during year	Amount spent		Yet to be spent		Total		
		2019	2018	2019	2018	2019	2018	
	(i)	Construction/ acquisition of any asset	-	-	-	-	-	
	(ii)	On purposes other than above	47.00	26.23	-	-	47.00	26.23

f. 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 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Financial assets at amortized cost				
Loans	96.07	72.07	96.07	72.07
Cash and cash equivalents	960.39	244.57	960.39	244.57
Other bank balances	42.31	66.20	42.31	66.20
Other financial assets	-	115.34	-	115.34
Trade receivables	7,780.89	9,377.82	7,780.89	9,377.82
Total	8,879.66	9,876.00	8,879.66	9,876.00
Financial liabilities at amortized cost				
Non-current borrowings	2,007.75	2,227.43	2,007.75	2,227.43
Current borrowings	622.46	74.40	622.46	74.40
Trade payables	12,036.25	14,936.22	12,036.25	14,936.22
Other financial liabilities	472.84	634.30	472.84	634.30
Total	15,139.30	17,872.35	15,139.30	17,872.35

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, 2019 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 2019:

(Rs. In Lakhs except as otherwise stated)

	Carrying value 31st March, 2019	Fair value		
		Level 1	Level 2	Level 3
Assets carried at cost for which fair values are disclosed				
Loans	96.07	-	-	96.07
Cash and cash equivalents	960.39	-	960.39	-
Other bank balances	42.31	-	42.31	-
Trade receivables	7,780.89	-	-	7,780.89
Liabilities carried at cost for which fair values are disclosed				
Non-current borrowings	2,007.75	-	347.75	1,660.00
Current borrowings	622.46	-	622.46	-
Trade payables	12,036.25	-	-	12,036.25
Other financial liabilities	472.84	-	224.73	248.11

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	9,377.82	-	-	9,377.82
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

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.

g. Financial risk management

The Company has instituted an overall risk management program 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, 2019 and 31st March, 2018. 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, 2019 and 31st March, 2018.

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 Payable	Currency Symbol	31 st March, 2019		Gain/(loss)	
		Foreign Currency	Indian Rupees	Impact on profit before tax	
				5% Increase	5% Decrease
United States Dollar	\$	1.23	85.08	(4.25)	4.25
Japanese Yen	JPY	187.24	117.96	(5.90)	5.90
EURO	EURO	0.36	27.97	(1.40)	1.40

(Rs. In Lakhs except as otherwise stated)

Currency Payable	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

The Company does not have any derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures.

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:

(Rs. In Lakhs except as otherwise stated)

Sensitivity Analysis	Gain/(loss)	
	Impact on profit before tax	Impact on profit before tax
	50 bps increase	50 bps decrease
31st March 2019	(14.31)	14.31
31st March 2018	(12.67)	12.67

C) **Price risk**

The Company is not exposed to any price risk as there is no investment in securities 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 employs 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, 2019 and 31st March, 2018 based on contractual undiscounted payments:

(Rs. In Lakhs except as otherwise stated)

As at 31st March, 2019	0-1 year	1-5 years	Total
Trade payable	12,036.25	-	12,036.25
Interest bearing borrowings	849.74	2,011.88	2,861.62
Other financial liabilities	248.11	-	248.11
Total	13,134.10	2,011.88	15,145.98

(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	2,234.07	2,551.65
Other financial liabilities	393.67	-	393.67
Total	15,647.47	2,234.07	17,881.54

Reconciliation of Interest bearing borrowings:

(Rs. In Lakhs except as otherwise stated)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non-Current borrowings	2,007.75	2,227.43
(ii) Short-term borrowings	622.46	74.40
(iii) Current maturity of long term borrowings	224.73	240.63
Processing fees adjusted from borrowings	6.68	9.19
Total	2,861.62	2,551.65

iii) Credit risk:

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

Balances with banks is subject to low credit risk due to good credit ratings assigned to these banks.

Credit risk relating to trade receivable, securities given is considered negligible as counterparties are having good credit quality. The ageing analysis of trade receivables has been considered from the date the invoice falls due.

Particulars	As at 31st March, 2019	As at 31st March, 2018
Neither past due nor impaired	7,352.52	10,005.71
0-180 days past due date	419.45	401.32
More than 180 days past due date	8.92	11.57
Total	7,780.89	10,418.60

h. 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, 2019 and 31st March, 2018.

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, 2019	31st March, 2018
Total Borrowings (including current maturities)	2,861.62	2,542.46
Less: Cash and Cash Equivalents (excluding unpaid dividend account)	(960.39)	(244.57)
Net debt	1,901.23	2,297.89
Equity	10,455.89	8,676.05
Total capital	10,455.89	8,676.05
Capital and net debt	12,357.12	10,973.94
Gearing Ratio (Net debt to equity ratio)	0.15	0.21

i. Lease
Operating lease commitments-Company as lessee

- i) 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.
- ii) 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, 2019	Year Ended 31st March, 2018
(i) Not later than one year	134.21	93.54
(ii) Later Than one year and not later than five years	580.88	420.33
(iii) Later than five years	246.59	366.42
Total minimum lease payments	961.68	880.29
Lease payments recognised in the statement of profit and loss as rent expense for the year	134.99	89.11

Operating lease commitments-Company as lessor

The Company has entered into a cancellable operating lease with Toyo Sharda India Private Limited for a further period of 3- years starting from 01 April 2018 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. 35.68 lakhs (31st March 2018: Rs. 22.31 lakhs).

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

(Rs. In Lakhs except as otherwise stated)

Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018
a) Revenue Expenditure		
Other Expenses:		
Salary/Wages	285.41	141.74
Development & other expenses	55.87	51.93
Total (a)	341.28	193.67
b) Capital Expenditure:		
Property, plant and equipment	446.50	28.21
Intangible assets	1.51	12.51
Total (b)	448.01	40.72

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, 2019	Year Ended 31st March, 2018
Dividend declared and paid during the year:		
Final Dividend for the year ended 31st March, 2018 Re. 1 per equity share (31st March, 2017: Re.0.90 per equity share)	314.00	282.60
Corporate dividend tax paid on final dividend	64.54	57.53
	378.54	340.13
Proposed dividend on Equity Shares		
Final Dividend for the year ended 31st March, 2019 Re. 1 per equity share (31st March, 2018 Re.1 per equity share)	314.00	314.00
Corporate Dividend Tax payable on proposed dividend	64.54	64.54
Total	378.54	378.54

- 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 and on behalf of the Board of Directors
For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration number 301003E/E300005

PER AMIT CHUGH

Partner

Membership no. 505224

ROHIT RELAN

Chairman and Managing Director

DIN 00257572

RAJAT BHANDARI

Sr. Vice President

(Strategic Planning)

Place : Gurugram

Dated : April 23, 2019

RITU BAKSHI

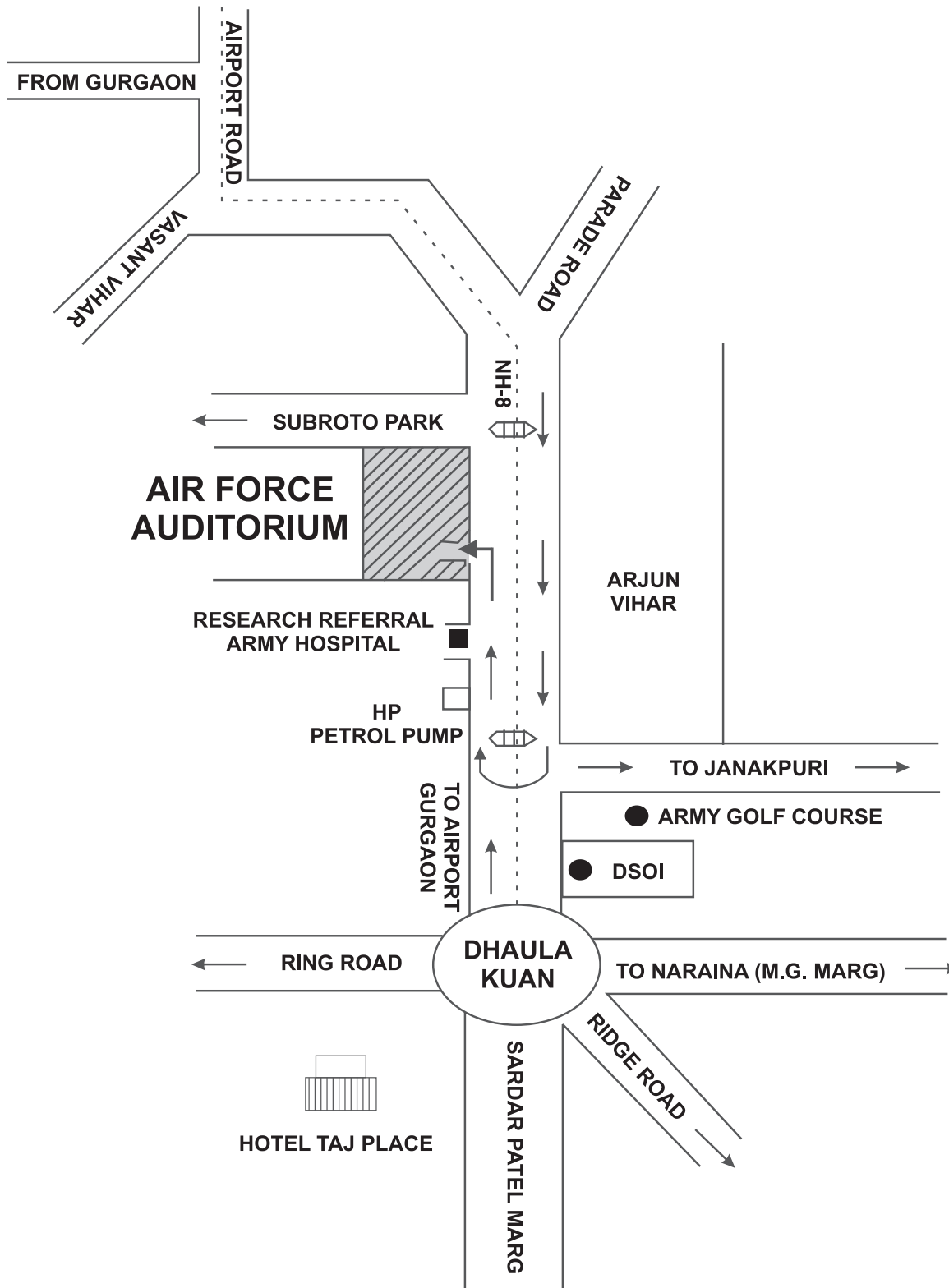
Company Secretary

SANJEEV KUMAR

Chief Financial Officer



ROUTE MAP FOR ANNUAL GENERAL MEETING



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



BHARAT SEATS LIMITED

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

ATTENDANCE SLIP

I/We hereby record my/our presence at the thirty second Annual General Meeting of Bharat Seats Ltd. being held at Air Force Auditorium, Subroto Park, New Delhi-110010 on Thursday, 19th September, 2019 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

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

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	USER ID	SEQUENCE NUMBER

Note: Please read instructions given in Notice of the 32nd Annual General Meeting carefully before voting electronically.



BHARAT SEATS LIMITED

CIN: L34300DL1986PLC023540

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

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PROXY FORM

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

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

(1) Name:..... Address.....

E-mail id..... Signature.....or failing him/her;

(2) Name:..... Address.....

E-mail id..... Signature.....or failing him/ her;

(3) Name:..... Address.....

E-mail id..... Signature.....;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Thursday, the 19th day of September, 2019 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:

Ordinary Business	Special Business
1. To receive, consider and adopt the audited financial Statements, Reports of the Board of Directors and Auditors for the year ended 31 st March, 2019 2. Declaration of Dividend 3. Re-appointment of Ms. Sharda Relan, Director who retires by rotation	4. Ordinary Resolution : Related Party Transactions 5. Special Resolution : Alteration of Memorandum of Association 6. Special Resolution : Adoption of a new set of Articles of Association

Signed thisday of2019



.....
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 than 48 hours before the commencement of the meeting.