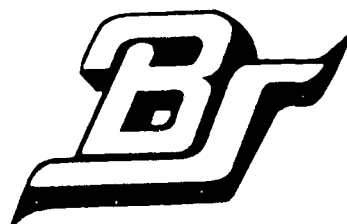
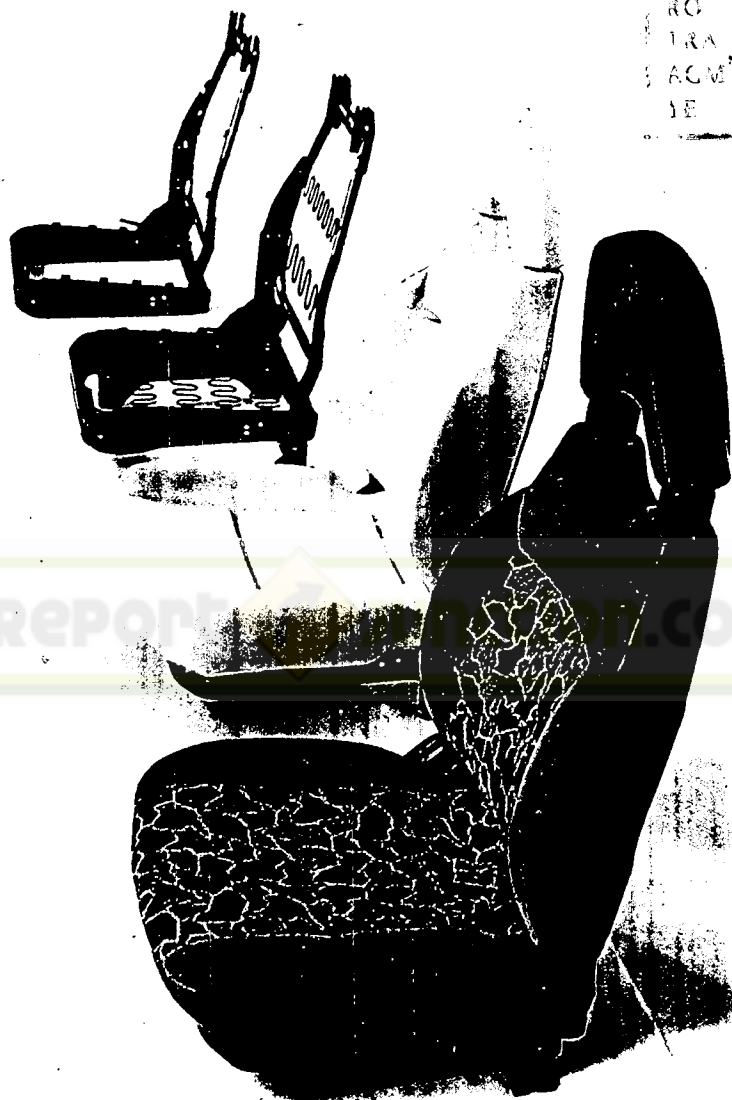
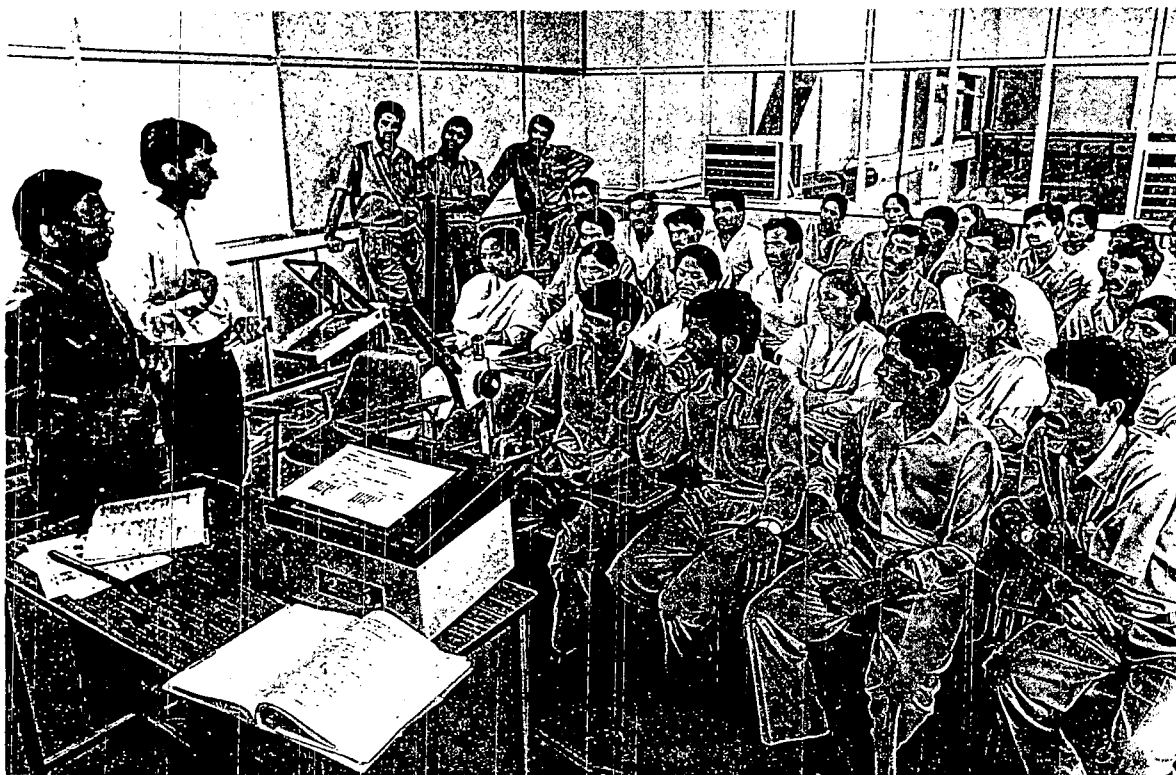


10TH ANNUAL REPORT 1997

MED	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPV	<input checked="" type="checkbox"/>
RG	<input checked="" type="checkbox"/>		DEV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
IE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



BHARAT SEATS LIMITED



Our Dedicated Workforce is all attention during one of the Training Programmes



From Drawing Board to the shop floor, we aim for the very best.



BHARAT SEATS LIMITED

BOARD OF DIRECTORS

N.D.RELAN	Chairman
TSUNEO KOBAYASHI	(Nominee - Suzuki Motor Corporation)
M.K.AGARWAL	(Nominee - Maruti Udyog Ltd.)
U.C.SHARMA	(Nominee of Maruti Udyog Ltd.)
AJAY RELAN	Director
ROHIT RELAN	Managing Director

BANKERS

STATE BANK OF TRAVANCORE
CANARA BANK
PUNJAB NATIONAL BANK
THE BANK OF TOKYO - MITSUBISHI LTD.

REGISTERED OFFICE

B-238, OKHLA INDUSTRIAL AREA, PHASE-I
NEW DELHI - 110 020

FACTORY

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

AUDITORS

M/S. JOGINDER P.JAIN & CO.
CHARTERED ACCOUNTANTS
NEW DELHI

ASSTT. COMPANY SECRETARY RITU BAKSHI

BHARAT SEATS LIMITED

NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the Shareholders of BHARAT SEATS LIMITED will be held on **Thursday, 4th September, 1997 at 1100 Hours at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi** to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.1997 and the Profit & Loss Account for the year ended on that date and the Directors and Auditors Report thereon.
2. To declare dividend.
3. To appoint Director in place of Mr. Ajay Relan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. Tsuneo Kobayashi, who retires by rotation and being eligible offers himself for reappointment.
5. To reappoint Auditors of the Company for the period commencing from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To reappoint Shri Rohit Relan, Managing Director whose period of appointment was upto 30th September, 1996. Now the Board has approved the reappointment of Shri Rohit Relan as Managing Director of the Company subject to the various provisions of the Companies Act, 1956 and guidelines framed thereunder. The following resolution may be passed with or without modification as an Ordinary Resolution :

RESOLVED that the Company may reappoint Shri Rohit Relan as Managing Director of the Company w.e.f. 1.10.1996 to 30.09.2001 on the Remuneration as per provisions of the Companies Act, 1956.

By Order of the Board
For BHARAT SEATS LIMITED

(RITU BAKSHI)
ASSTT. COMPANY SECRETARY

REGD. OFFICE:

B-238, OKHLA INDL. AREA
PHASE- I, NEW DELHI - 110020
DATED : 18.06.1997

NOTES :-

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in relation to Special Business is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
3. Proxies in order to be valid must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. Register of members and share transfer books of the Company will remain closed from **29th August, 1997 to 4th September, 1997 (both days inclusive)**.
5. Shareholders/ Proxyholders are requested to produce at the entrance the Attendance Slip forwarded to them duly filled and signed in accordance with the signature registered with the Company for admission to the meeting hall.

BHARAT SEATS LIMITED

6. Members desirous of getting any information relating to the accounts of the Company under reference or about operations of the Company, they are requested to write to the Company at least 7 days before the meeting to enable the Company to make it available at the meeting.
7. Pursuant to Section 205A(5) of the Companies Act, 1956, all dividends upto the financial year ended 31.03.1993, which remained unpaid or unclaimed, have been transferred to the General Revenue Account of the Central Government.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

The Directors have approved the reappointment of Managing Director, Shri Rohit Relan for another term of 5 years w.e.f. 01.10.1996 to 30.09.2001 on the terms and conditions as specified under Schedule XIII and other provisions of the Companies Act, 1956. Shri N.D. Relan, Shri Rohit Relan and Shri Ajay Relan be deemed to be interested in Resolution no. 6.

RESOLVED that the Company may give the following remuneration as per the guidelines framed under the Schedule XIII of the Companies Act and other relevant sections of the Act as amended from time to time subject to deduction of 10% in case of non-availability of profits calculated as per Companies Act, 1956.

Salary	: Rs.15,000/- p.m.
Perks	: Category-wise
Commission	: 1% on the net profits of the Company computed in the manner as laid down in the Companies Act, 1956, subject to a ceiling of 50% of the annual salary (Bonus, if any is part of Commission)

A. CATEGORY

1. HOUSING : House Rent Allowance @ 60% of Salary, over and above 10% payable by employee
2. MEDICAL : Reimbursement equal to one month's salary in one year or three months salary in three years for self and family
3. L.T.A. : For himself and family once in a year as per Company Rules.
4. CLUB : Membership of two Clubs
5. PERSONAL : Upto a Premium of Rs.1000/- per annum.

ACCIDENT INSURANCE

B. CATEGORY

Contribution to P.F., Superannuation or Annuity Fund.

Gratuity @ 1/2 months salary for each completed year of service subject to a ceiling of Rs.2,50,000/-

C. CATEGORY

Provision of Car and Telephone at residence.

By Order of the Board
For BHARAT SEATS LIMITED

(RITU BAKSHI)
ASSTT. COMPANY SECRETARY

REGD. OFFICE:

B-238, OKHLA INDL. AREA
PHASE- I, NEW DELHI - 110020
DATED : 18.06.1997

BHARAT SEATS LIMITED

DIRECTORS' REPORT

To the members,

The Directors of your Company present herewith the 10th Annual Report and the Audited Statement of Accounts for the Financial year ended 31.03.1997

	1996-97	1995-96
	Rs. in lakhs	
FINANCES :		
Sales	7866.86	7650.10
Profit before Depreciation, Financial charges, Lease Rentals & Provisions	478.01	470.90
Less:		
a) Financial Charges & Lease Rentals	55.95	96.16
b) Depreciation	81.01	81.44
c) Provision for taxation	150.38	136.82
Net Profit after Tax	190.67	156.48
Add: Profit brought forward from previous year	15.00	15.00
Profit available for appropriation	205.67	171.48
Appropriations :		
Dividend proposed	54.95	47.10
Tax on Dividend	5.50	—
Transfer to General Reserve	130.22	109.38
Balance carried forward to Balance Sheet	15.00	15.00

DISTRIBUTABLE PROFITS :- DIVIDEND

Your Directors recommend a Dividend of Rs.1.75 per share @ 17.50 % for the year ended 31.03.1997

OPERATIONS :	1996-97	1995-96	% INCREASE
Production (No. of Seat Sets)	127476	119529	6.65
Sales (No. of Seat Sets)	127351	119590	6.49
Profit before tax (Rs. in lacs)	341.04	293.30	16.27
Profit after tax (Rs. in lacs)	190.67	156.48	21.85

The Directors have pleasure to report that the Company has worked well during the year under report. The profit after tax increased from Rs.156.48 lakhs to Rs.190.67 lakhs, registering an increase of 21.85% on an annualised basis. Your Company is maintaining a constant growth, keeping in line with the production volumes of Maruti Udyog Ltd. The increasing competition in automobile industry with forecasts of good growth rate of our Joint Venture Partner - Maruti Udyog Ltd., your Company is confident of meeting the demand of higher volumes from Maruti Udyog Ltd.

RESERVES :

Total Reserves of the Company have increased to Rs. 937.52 Lakhs as on 31.03.97, from Rs.623.13 lakhs as on 31.03.96, giving an increase of Rs.314.39 Lakhs during the year.

PRODUCT UPGRADATION/ QUALITY IMPROVEMENT :

The competition in the automobile sector has made it absolutely essential to offer better value for money to the customers. The Company is paying special attention to reduce its cost of production through productivity improvements, value engineering and work simplifications. Your Company has pursued with 'KAIZEN' activities (meaning continuous improvement) during the year under review. You will be glad to know that experts from our Technical collaborator, M/s Houwa Kogyo Co. Ltd. are here in our Plant and are advising us on productivity improvement techniques for cost reduction, alongwith quality improvement of our product. Our Engineers, Supervisors and employees are also visiting Japan from time to time for training and upgrading their skills.

BHARAT SEATS LIMITED

As you are already aware your Company has been awarded ISO 9002 Certification and is working continuously to achieve QS 9000 in coming years to strengthen our Quality Systems and procedures. Regarding Product Upgradation, you will be glad to know that your Company has developed new Rear back Split Model in the YE-2 Seat Assembly for Export purposes with the association of our technical partner. We are also in the process of developing new Seating Systems for Maruti's new models.

GRANT FROM WORLD BANK

You will be glad to know that your company has received Rs.1.84 crores as a grant from World bank for protecting the environment by eliminating the use of CFC II (Chloroflouro Carbons) which depletes Ozone layer.

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

Company's operations involve low energy consumption. Wherever possible, energy conservation measures are being implemented. However, efforts to conserve and optimise the use of energy through improved operational methods and other means will be a continuous effort.

Regarding Technology absorption, the Company is continuing its efforts through various training methods, including mutual exchange programmes of Technicians for keeping abreast with the latest technology with our technical collaborators.

The value of seats produced by us for use as fitment in export model cars of Maruti Udyog Limited are estimated to Rs. 13.31 Crores. However, Foreign Exchange expenditure as shown in the Notes to Accounts forming part of this Annual Report is for import of Raw materials/ Spares/ Capital equipments/ Technical fees/ Training fees etc.

DIRECTORS

Shri Ajay Relan and Shri Tsuneo Kobayashi retire by rotation and being eligible offer themselves for reappointment.

Your Managing Director, Shri Rohit Relan is proposed to be reappointed for another term of 5 years w.e.f. 01-10-1996 on the terms and conditions and provisions of the Companies Act, 1956.

HUMAN RESOURCES

The relations with the workmen as well as staff continued to be cordial throughout the year, which enabled to achieve record performance during the year. The Company has started various training programmes for the benefit of employees.

Provisions of Sec 217(2A) of the Companies Act, 1956 are not applicable to the Company.

AUDITORS

M/s Joginder P. Jain & Co., Chartered Accountants retire at the Annual General Meeting and being eligible offer themselves for reappointment, which if made, will be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep sense of gratitude to Central Government, various Government Departments, Haryana Government, Suzuki Motor Corporation, Japan, Houwa Kogyo Company Ltd., Japan and Maruti Udyog Ltd. The directors also wish to thank the employees of the Company for their hard and sincere work put throughout the year.

Finally, your Directors owe a debt of gratitude to all shareholders for their unstinted support.

For and on behalf of the Board
BHARAT SEATS LIMITED

PLACE : NEW DELHI
DATED : 18.06.1997

(N.D.RELAN)
CHAIRMAN